
ANNUAL REPORT 2010-2011



HIMALAYA GRANITES LIMITED



BOARD OF DIRECTORS

Mr. Saurabh Mittal, Non-Executive Chairman
Mr. Ramesh Kumar Haritwal, Managing Director & CEO
Mr. Beni Gopal Saraf
Mr. Mahesh Kumar Malpani

AUDIT COMMITTEE

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

AUDITORS

M/s. D. Dhandaria & Company
Thana Road, Tinsukia, Assam

SHARE TRANSFER & INVESTORS GRIEVANCE COMMITTEE

Mr. Beni Gopal Saraf
Mr. Mahesh Kumar Malpani

REGISTRARS & SHARE TRANSFER AGENTS

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

REGISTERED OFFICE

Panchalam Village
Melpettai Post, Tindivanam
Tamilnadu-604 307



HIMALAYA GRANITES LIMITED

NOTICE

NOTICE is hereby given that the 23rd Annual General Meeting of the members of the Company will be held on Thursday, 29 September, 2011 at the Registered Office of the Company at Panchalam Village, Melpettai Post, Tindivanam, Tamilnadu - 604 307 at 1:00 P.M. to transact the following businesses:

Ordinary Business:

- 1) To receive, consider and adopt the Audited Accounts of the Company for the year ended 31 March, 2011 together with Directors' Report and Auditors' Report thereon.
- 2) To appoint a director in place of Mr. Mahesh Kumar Malpani, who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint statutory auditors and to fix their remuneration and in this connection, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ordinary resolution**:

"RESOLVED THAT M/s. D. Dhandaria & Company, Chartered Accountants, the retiring auditors be and are hereby appointed as Statutory Auditors of the Company to hold office as such from the conclusion of this meeting till the conclusion of next Annual General Meeting at such remuneration as may be fixed by the Board of Directors of the company, based on the recommendation of the Audit Committee, in addition to reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company".

Place : Kolkata
Dated : 30 May, 2011

Registered Office :

Panchalam Village
Melpettai Post, Tindivanam,
Tamilnadu-604 307

By Order of the Board
For **Himalaya Granites Limited**

Ramesh Kumar Haritwal
Managing Director & CEO

HIMALAYA GRANITES LIMITED



NOTES:

- 1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company. Proxies in order to be effective, must be lodged with the company at its Registered office not less than 48 hours before the time of the meeting.**
2. The Register of Members and Share Transfer Books of the company will remain closed from 26 September, 2011 to 29 September, 2011 (both days inclusive).
3. Queries on accounts of the Company, if any may please be sent to the Company at least seven days in advance of the meeting so that the answers may be made readily available at the meeting.
4. Members are requested to promptly notify any change in their address to the Share Transfer Agents M/s. S.K. Computers, 34/1A, Sudhir Chatterjee Street, Near Girish Park Metro Station, Kolkata-700 006.
5. Members are requested to bring their attendance slip along with their copies of annual reports to the meeting.
6. Members holding shares in physical form are advised to make nomination in respect of their shareholding in the Company.
7. Company's shares are listed on Bombay Stock Exchange (BSE) and listing fees for the financial year 2011-12 has been paid to above Stock Exchange.
8. Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, the final dividend for the year ended 31 March, 2003 remaining unpaid or unclaimed for a period of seven years from the date of transfer of the same to the unpaid dividend account, has been transferred to the Investor Education and Protection Fund established by the Central Government. No claim shall lie against the Investor Education and Protection Fund or the Company in respect of individual amount(s) so credited to the Investor Education and Protection Fund.
9. Pursuant to the provisions of the Companies Act, 1956, the final dividend for the financial year ended 31 March 2004 and dividends declared thereafter, which remain unclaimed for a period of seven years, will be transferred by the Company to the Investor Education and Protection Fund, pursuant to Section 205C of the Companies Act, 1956. Please be informed that the due month for transferring the unclaimed final dividend for the financial year ended 31 March 2004 to Investor Education and Protection Fund is October, 2011. Shareholders, who have not yet encashed their dividend warrants for the financial year ended 31 March 2004 and any subsequent financial years are requested to make their claim to the Company's Registrars and Share Transfer Agents immediately.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrars and Share Transfer Agents.
11. To support the "Green Initiative in the Corporate Governance" taken by the Ministry of Corporate Affairs regarding electronic mode of service of documents, the shareholders are requested to register and update their e-mail address with their respective Depository Participants if they are holding shares in de-mat mode and with the Registrars & Share Transfer Agents of the Company if they are holding shares in physical mode.
- 12. Appointment/Re-appointment of Directors:**
At the ensuing Annual General Meeting, Mr. Mahesh Kumar Malpani shall retire by rotation and being eligible, offers himself for reappointment.
Profile(s) of director(s) seeking appointment/re-appointment as stipulated under Clause 49 of the Listing Agreement with stock exchange are furnished in the Corporate Governance Report, which forms an integral part of this Annual Report.

Place : Kolkata
Dated : 30 May, 2011

By Order of the Board
For **Himalaya Granites Limited**

Registered Office :
Panchalam Village
Melpettai Post, Tindivanam,
Tamilnadu-604 307

Ramesh Kumar Haritwal
Managing Director & CEO



HIMALAYA GRANITES LIMITED

DIRECTORS' REPORT

Your Directors present herewith the 23rd Annual Report together with the Audited Accounts of your Company for the year ended 31 March, 2011.

FINANCIAL HIGHLIGHTS:

	<u>2010-11</u>	<u>2009-10</u>
Net Sales	3.57	4.10
Other Income	8.79	24.16
Profit/(Loss) before Interest, Depreciation & Extraordinary items	(69.87)	(51.17)
Less :		
a) Interest	0.02	31.47
b) Depreciation	30.51	31.74
c) Extra-ordinary Items	-	0.29
Profit/(loss)Before Tax	(100.40)	(114.67)
Provision for Tax		
Deferred Tax Release/(Provision)	11.88	(6.64)
Income Tax for earlier years	-	(1.58)
Profit/(loss)After Taxation	(88.52)	(122.89)
Balance Brought Forward from earlier years	(92.29)	30.60
Balance carried to Balance Sheet	(180.81)	(92.29)

REVIEW OF OPERATIONS

During the year under review the single unit of the Company situated at Panchalam Village, Melpettai Post, Tindivanam, Tamilnadu-604 307 remained inoperative. Further, the shareholders of the Company vide special resolution passed under section 293(1)(a) of the Companies Act, 1956 through postal ballot voting process on 29 December, 2009 had approved sale of plant and machinery and other fixed assets (excluding land and building) of the unit of the Company situated at Panchalam Village, Melpettai Post, Tindivanam, Tamilnadu – 604 307 and accordingly the Company has sold out part of the plant and machinery of the said Unit.

In the backdrop of the above scenario and in the quest for exploring the possibilities to generate some income for sustainability of the Company, during the year under review, your Company has started letting out part of its factory shades in accordance with the approval of members of the Company under Section 149(2A) of the Companies Act, 1956 for commencement of new business obtained vide resolution passed through postal ballot on 29 December, 2010.

TRANSFER TO GENERAL RESERVE

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

DIVIDEND

Due to huge loss during the year under review, your directors are unable to recommend any dividend.

DIRECTORS

Mr. Shiv Prakash Mittal and Ms. Janaki Venkatramani resigned from the Board of the Company w.e.f. 13 November, 2010. The Board placed on record its appreciation for the contributions made by them during their tenure as Directors of the Company.

HIMALAYA GRANITES LIMITED



Mr. Mahesh Kumar Malpani, director of the Company, liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Your directors recommend the above re-appointment.

None of the directors of your company is disqualified as per the provisions of Section 274(1)(g) of the Companies Act, 1956.

AUDITORS AND THEIR REPORT

M/s. D. Dhandaria & Company, Chartered Accountants, Statutory Auditors of the company, hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. The company has received a certificate from the above Auditors to the effect that the re-appointment if made, would be within the limits prescribed under section 224 (1B) of the Companies Act, 1956.

The observations made in the Auditors' Report are self-explanatory and therefore do not call for further comments.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' responsibility statement, it is hereby confirmed that:

- 1) In preparation of the annual accounts, applicable accounting standards were followed.
- 2) The Directors had selected such accounting policies and applied them consistently and made reasonable and prudent judgments and estimates to provide a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the Company for the financial year.
- 3) The Directors had taken proper and sufficient care to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956, to safeguard the company's assets and for preventing and detecting fraud and other irregularities.
- 4) The Directors had prepared the annual accounts on a going concern basis.

PUBLIC DEPOSITS

The Company did not invite or accept any deposits from the public under Section 58A of the Companies Act, 1956.

CORPORATE GOVERNANCE REPORT

A detailed report on Corporate Governance, pursuant to clause 49 of the Listing agreement with the Stock Exchange, along with Auditors' certificate, on compliance with the mandatory recommendation on Corporate Governance, is annexed to this report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis report, pursuant to clause 49 of the Listing Agreement with the Stock Exchange, for the year under review is given as a separate statement in the Annual Report.

CEO AND CFO CERTIFICATION

During the year under review the CFO has resigned from the Company. Considering Company's closure of operation and financial instability, fresh appointment of CFO was not feasible and Mr. Ramesh Kumar Haritwal, Managing Director and CEO of the Company was requested to head the finance function of the



HIMALAYA GRANITES LIMITED

Company and accordingly the CEO & CFO certificate as required under Clause 49 of the Listing Agreement signed by the Managing Director & CEO is attached with the Annual Report.

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

The Managing Director & CEO of the Company has given a declaration that all directors and the senior management personnel concerned have affirmed compliance with the code of conduct with reference to the year ended on 31 March 2011. The declaration is attached with the annual report.

PARTICULARS OF EMPLOYEES

The Company had no employee of the category indicated under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended from time to time.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars regarding conservation of energy, technology absorption, as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are annexed hereto and form part of this report. There was no foreign exchange earnings and outgo during the year under review.

ACKNOWLEDGEMENT

Your Directors take this opportunity to express their appreciation for the support and co-operation received from the Government of India, State Governments and Shareholders.

On behalf of the Board of Directors
For **Himalaya Granites Limited**

Place : Kolkata
Dated : 30 May, 2011

Saurabh Mittal
Non-executive Chairman

HIMALAYA GRANITES LIMITED



Annexure to the Directors' Report

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS') RULES, 1988.

A. CONSERVATION OF ENERGY :

Energy Conservation measures taken

Since there was no manufacturing activity of the Company during the year under review, the Company had not taken any steps for conservation of energy:

	<u>2010-11</u>	<u>2009-10</u>
I. POWER & FUEL CONSUMPTION		
Electricity		
Purchased :		
Units	21582	33570
Total Amount (₹)	133452	4,96,958
Rate per Unit (₹)	6.18	14.80
II. CONSUMPTION PER UNIT OF PRODUCTION:		
Units		
a) Granite Monuments	Sq.Mtr.	Sq.Mtr.
b) Dimensional Granite Blocks	Cbm.	Cbm.
Electricity Consumption (Unit) :		
a) Granite Monuments	Nil	Nil
b) Dimensional Granite Blocks	N.A	N.A.

B. TECHNOLOGY ABSORPTION:

Since there was no manufacturing activity of the Company during the year under review, the Company had not taken any steps towards Research & Development and Technology Absorption, Adoption & Innovation. Also there was no expenditure on R & D during the year under review.

On behalf of the Board of Directors
For **Himalaya Granites Limited**

Place : Kolkata
Dated : 30 May, 2011

Saurabh Mittal
Non-executive Chairman



HIMALAYA GRANITES LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

INDUSTRY STRUCTURE AND DEVELOPMENT

During the year under review the single unit of the Company situated at Panchalam Village, Melpettai Post, Tindivanam, Tamilnadu-604 307 remained inoperative. Further, the Company has sold out part of the plant and machinery of the said Unit in accordance with the approval of the Shareholders of the Company.

In the backdrop of the above scenario and in the quest for exploring the possibilities to generate some income for sustainability of the Company, during the year under review, your Company has started letting out part of its factory shades after obtaining necessary approval.

OPPORTUNITIES AND THREATS

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

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 operation. However your directors are exploring alternate avenues to make the Company operative.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The company has an adequate internal control system. An audit committee headed by non executives 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 27-02-2008 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.

On behalf of the Board of Directors
For **Himalaya Granites Limited**

Place : Kolkata
Dated : 30 May, 2011

Saurabh Mittal
Non-executive Chairman

HIMALAYA GRANITES LIMITED



CORPORATE GOVERNANCE REPORT :

(As required under Clause 49 of the Listing Agreement entered into with the Stock Exchange)

1. Company's philosophy on the Code of Corporate Governance

Your Company believes that good Corporate Governance contemplates that corporate actions balance the interests of all shareholders and satisfy the tests of accountability, transparency and fair play. Further, your company firmly believes that a sound governance process represents the foundation of corporate excellence.

2. Board of Directors

Composition

The present strength of your Company's Board is four directors headed by a Non-Executive Chairman comprising:

- One Non-executive Director representing Promoter Director.
- Two Non-executive independent Directors.
- One Executive Director.

Board Meetings

During the financial year ended 31 March 2011, five Board Meetings were held on 30 May 2010, 9 August 2010, 1 September 2010, 12 November 2010 and 8 February 2011.

The composition of the Board of Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting and also the number of other Boards or Board Committees in which the Directors are holding the position of member/Chairperson are as follows:

Name of the Directors and Director Identification Number (DIN)	Category of Directorship	No. of Board Meetings		Attendance at last AGM	No. of outside directorship held *		No. of outside Committees	
		Held	Attd.		Public	Private	Member	Chairman
Mr. Saurabh Mittal (DIN 00273917)	Non-Executive Promoter Director designated as Non-Executive- Chairman (w.e.f 13.11.2010**)	5	2	No	2	3	4	–
Mr. Ramesh Haritwal (DIN 01486666)	Managing Director & CEO	5	5	Yes	–	–	–	–
Mr. Beni Gopal Saraf (DIN 00267858)	Non-Executive-Independent Director	5	4	No	–	–	–	–
Mr. Mahesh Kumar Malpani (DIN 02603222)	Non-Executive-Independent Director	5	5	No	–	2	–	–
Mr. Shiv Prakash Mittal (DIN 00237242)	Non-Executive Chairman-Promoter Director (up to 12.11.2010**)	5	2	No	1	1	2	1
Ms. Janaki Venkatramani (DIN 00277900)	Non-Executive-Independent Director (up to 12.11.2010**)	5	3	No***	–	–	–	–

* Including directorship in Foreign Company.

** Mr. Shiv Prakash Mittal and Ms. Janaki Venkatramani resigned from the Board of the Company w.e.f. 13.11.2010 and Mr. Saurabh Mittal was designated as Non-executive Chairman with effect from that date.

*** Due to sickness Ms. Janaki Venkatramani, the then Chairperson of the Audit Committee could not attend the last Annual General Meeting.



HIMALAYA GRANITES LIMITED

Information supplied to the Board of Directors:

During the year under review all necessary information as required under the provisions of the Companies Act, 1956, Corporate Governance and other laws and rules were placed and discussed at the Board Meetings.

Details of directors seeking appointment/re-appointment at the forthcoming Annual General Meeting:

Name	Mr. Mahesh Kumar Malpani
Father's Name	Late Satnarayan Malpani
Date of Birth	5 September 1953
Date of Appointment	26 March, 2009
Expertise in specific functional area	Mr. Mahesh Kumar Malpani is a commerce graduate possessing vast experience in the area of Administration and Finance.
Qualification	B.Com
List of outside directorship held excluding alternate directorship	NIL
Chairman/Member of the Committee of the Board of the Company	<u>Chairperson:</u> Audit Committee (w.e.f. 13.11.2010) <u>Member:</u> Share Transfer & Investors Grievance Committee Remuneration Committee (up to 08.02.2011)
Chairman/Member of the Committee of the Board of Directors of other companies in which he is a director	NIL
Number of shares held in the company	NIL

Disclosures of relationships between directors :

Name of the Directors	Category of Directorship	Relationship between directors
Mr. Shiv Prakash Mittal	Non-Executive Chairman-Promoter Director (up to 12.11.2010)	Mr. Saurabh Mittal (Son)
Mr. Saurabh Mittal	Non-Executive Promoter Director designated as Non-Executive-Chairman (w.e.f 13.11.2010)	Mr. Shiv Prakash Mittal (Father)
Mr. Ramesh Kumar Haritwal	Managing Director & CEO	None
Ms. Janaki Venkatramni	Non-Executive- Independent Director (up to 12.11.2010)	None
Mr. Beni Gopal Saraf	Non-Executive- Independent Director	None
Mr. Mahesh Kumar Malpani	Non-Executive- Independent Director	None

HIMALAYA GRANITES LIMITED



3. Code of conduct

Pursuant to clause 49(1)(D) of the Stock Exchange Listing Agreement, the Board of Directors has adopted the Code of Conduct for the directors and senior management ("the Code"). The Code has been made available on the Company's website www.hgl.co.in. A declaration signed by the Managing Director & CEO of the Company, is attached with the annual report.

4. Audit Committee

Composition:

The Company's Audit Committee comprises two non-executive independent directors, and one non-executive promoter director. The Company Secretary acted as Secretary to the Audit Committee.

- Mr. Mahesh Kumar Malpani, Chairman*
- Mr. Beni Gopal Saraf, Member* (w.e.f. 13.11.2010)
- Mr. Ramesh Kumar Haritwal, Member* (w.e.f. 13.11.2010)
- Ms. Janaki Venkatramani, Chairperson*(up to 12.11.2010)
- Mr. Saurabh Mittal, Member*(up to 12.11.2010)

**Ms. Janaki Venkatramani resigned from the Board and Board Committees of the Company w.e.f. 13.11.2010, Mr. Saurabh Mittal resigned from Audit Committee w.e.f. 13.11.2010, Mr. Mahesh Kumar Malpani was designated as Chairman and Mr. Ramesh Kumar Haritwal and Mr. Beni Gopal Saraf were appointed as members of the Audit Committee with effect from 13.11.2010.*

The members of the committee are well versed in matters relating to finance, accounts and general management practices.

The powers and role of the Audit Committee

Powers:

- To investigate into any activity within its terms of reference.
- To seek information from any employee.
- To obtain external legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role:

- 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.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by them.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a) Matters required in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgement by the management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions.
 - g) Qualifications in the draft audit report.



HIMALAYA GRANITES LIMITED

- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, the statement of uses/application of fund raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised 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/rights issue, and making the appropriate recommendation to the Board to take up steps in this matter.
- Reviewing, with the management, performance of statutory and internal auditors, the adequacy of the internal control systems.
- 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.
- Discussion with internal auditors any significant finding and follow up there on.
- 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.
- 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.
- 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.
- To review the functioning of the Whistle Blower mechanism, in case it is existing.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Review of information by the Audit Committee:

The Audit Committee will mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters/letters of internal control weaknesses issued by the statutory auditors
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

Meetings and Attendance during the year:

During 2010-11, four meetings were held on 30 May 2010, 9 August 2010, 12 November 2010 and 8 February 2011. The meetings are generally held before finalisation of quarterly and annual accounts.

Name of the Members	Category	No. of Meetings	
		Held	Attended
Mr. Mahesh Kumar Malpani	Non-executive independent director	4	4
Mr. Beni Gopal Saraf (w.e.f. 13.11.2010)	Non-executive independent director	4	1
Mr. Ramesh Kumar Haritwal (w.e.f. 13.11.2010)	Managing Director & CEO	4	1
Ms. Janaki Venkatramani (up to 12.11.2010)	Non-executive independent director	4	3
Mr. Saurabh Mittal (up to 12.11.2010)	Non-executive Promoter director	4	2

HIMALAYA GRANITES LIMITED



5. Subsidiaries Companies

The Company does not have any subsidiaries.

6. Remuneration Committee

The Board of directors at their meeting held on 8 February, 2011 dissolved the Remuneration Committee with immediate effect. However, the details of the Remuneration Committee prior to dissolution were as below.

Composition:

Mr. Beni Gopal Saraf, Chairman*

Mr. Saurabh Mittal, Member*(w.e.f. from 13.11.2010)

Mr. Mahesh Kumar Malpani, Member

Ms. Janaki Venkatramani, Chairperson* (up to 12.11.2010)

**Ms. Janaki Venkatramani resigned from the Board and Board Committees of the Company w.e.f. 13.11.2010, Mr. Beni Gopal Saraf was designated as Chairman and Mr. Saurabh Mittal was appointed as member of the Remuneration Committee with effect from 13.11.2010.*

All the above member directors are Non-executive Independent Directors except Mr. Saurabh Mittal who is Non-executive Promoter Director.

Terms of reference:

- To determine the Company's policy on the remuneration package for Executive Directors and any compensation payment.
- To discuss, approve the appointment and re-appointment of executive directors, Managing Directors and also to fix their remuneration package and designation.

Meetings and attendance:

There was no meeting of the remuneration committee during 2010-11.

Remuneration Policy, details of remuneration and other terms of appointment of Directors

In framing the remuneration policy, the committee takes into consideration the remuneration practices prevailing in the industry and performance of the concerned executives. The remuneration package is as per the provisions of the Companies Act, 1956. No sitting fees are paid to the Executive Directors for attending the Board meetings or committee meetings. The necessary approvals were obtained from the shareholders wherever required.

There was no materially relevant pecuniary relationship or transactions of the non-executive directors vis-a-vis the company, which may affect the independence of the directors. The Company has not granted any stock option to its directors.

(I) Executive Director

The details of remuneration to Executive director for the year ended 31 March, 2011 is as follows and the same is within the ceiling prescribed within the applicable provisions of the Companies Act, 1956.

Name and designation	Service Contract/ Notice period*	Salary (₹)	Perquisite & other allowances (₹)
Mr. Ramesh Kumar Haritwal, Managing Director & CEO	Appointed as Managing Director & CEO for five years w.e.f 01.06.2007	1329000	154080

** The appointment may be terminated by either party by giving three month's notice or salary in lieu thereof or by mutual consent.*



HIMALAYA GRANITES LIMITED

(II) Non-Executive Directors

The details of sitting fees to Non-executive Directors for the financial year 2010-11 are as follows:

Name	Service Contracts/ Notice Period	Sitting Fees Paid (₹)	No of shares held in the Company
Ms. Janaki Venkatramani (up to 12.11.2010)	Retire by rotation	1500/-	NIL
Mr. Beni Gopal Saraf	Retire by rotation	2000/-	NIL
Mr. Shiv Prakash Mittal (up to 12.11.2010)	Retire by rotation	1000/-	12500
Mr. Saurabh Mittal	Retire by rotation	1000/-	10000
Mr. Mahesh Kumar Malpani	Retire by rotation	2500/-	NIL

7. Share Transfer and Investors' Grievance Committee

Composition:

The Share Transfer and Investors Grievance Committee comprises two Non-executive independent directors.

Mr. Beni Gopal Saraf, Chairman*

Mr. Mahesh Kumar Malpani, Member

Ms. Janaki Venkatramani, Chairperson*(up to 12.11.2010)

Mr. Saurabh Mittal*(up to 12.11.2010)

**Ms. Janaki Venkatramani resigned from the Board and Board Committees of the Company w.e.f. 13.11.2010, Mr. Saurabh Mittal resigned from and Mr. Beni Gopal Saraf was designated as Chairman of the Committee with effect from 13.11.2010.*

Mr. Prakash Kumar Biswal, Company Secretary, acted as the secretary to the committee and compliance officer of the company till 31 March, 2011. Thereafter Mr. Ramesh Kumar Haritwal, Managing Director & CEO of the Company designated as Compliance Officer owing to resignation of Mr. Prakash Kumar Biswal w.e.f. 01.04.2011. The Committee deals with matters relating to approval of transfers and transmissions, issue of duplicate share certificates, split and consolidation of certificates, dematerialization and rematerialisation requests, monitoring of shareholder complaints and share price movements.

The table gives the number of complaints received, resolved and pending during the year 2010-11.

Number of complaints:

Received	Resolved	Pending
Nil	Nil	Nil

HIMALAYA GRANITES LIMITED



During 2010-11, five meetings were held on 16 April 2010, 17 May 2010, 31 July 2010, 16 September 2010 and 10 March 2011 and the attendance of member Directors were as follows:

Name of the members	Category	No. of meetings held	No. of Meetings attended
Mr. Saurabh Mittal (up to 12.11.2010)	Non-executive- promoter director	5	–
Ms. Janaki Venkatramani (up to 12.11.2010)	Non-executive -independent director	5	4
Mr. Beni Gopal Saraf	Non-executive -independent director	5	5
Mr. Mahesh Kumar Malpani	Non-executive -independent director	5	2

8. General Body Meetings

i. The details of last three Annual General Meeting of the Shareholders are as under:

Financial Year	Date of AGM	Venue	Time
31.03.2010	30.09.2010	Panchalam Village, Melpettai Post, Tindivanam, Tamilnadu – 604 307	1:00 P.M.
31.03.2009	30.09.2009	New No.29, Old No.12 No.3-B, Riaz Garden Kodambakkam High Road Nungambakkam, Chennai-600 034	11:00 A.M.
31.03.2008	26.09.2008	-Do-	11:00 A.M

ii. Special Resolutions passed at the last three Annual General Meetings:

- At the Twenty-second Annual General Meeting held on: 30 September, 2010: NIL
- At the Twenty-first Annual General Meeting held on: 30 September, 2009: NIL
- At the Twentieth Annual General Meeting held on: 26 September, 2008: NIL

iii. Special resolutions put through postal ballot during the year:

The Members approved, by means of postal ballot, two Special Resolutions in respect of the followings:

- Alteration of Object Clause of the Company pursuant to Section 17 of the Companies Act, 1956; and
- Commencement of new business pursuant to Section 149(2A) of the Companies Act, 1956; as contained in the postal ballot notice dated 12 November, 2010.

The salient features of the postal ballot, in respect of the above, are provided below:

The Board of Directors of the Company, at its meeting held on 12 November, 2010, appointed Mr. Kesavan Ramadasan, Senior Attorney of Old No. 6, New No. 15, West Cross Street, Shenoy Nagar, Chennai – 600 030 as the Scrutinizer for conducting the Postal Ballot voting process;

Notice along with the Postal Ballot Form was despatched to the Members whose names appeared on the Register of Members on 19 November, 2010; such despatch was completed on 23 November, 2010;

The last date of the receipt of Postal Ballot Forms was 23 December, 2010;



HIMALAYA GRANITES LIMITED

The Scrutinizer submitted his Report dated 28 December, 2010 to the Chairman of the Company.

Based on the Scrutinizer's report and having been authorized by the Chairman to declare the result in his absence, the result of the Postal Ballot was declared by Mr. Ramesh Kumar Haritwal, Managing Director & CEO of the Company, on 29 December, 2010 at the Registered Office, as follows:

Particulars	Special Resolution No.1		Special Resolution No. 2	
	No. of postal ballot forms	No. of shares	No. of postal ballot forms	No. of shares
Total postal ballots Received	35	2336326	35	2336326
Number of invalid postal ballots	0	0	0	0
Number of valid postal ballots	35	2336326	35	2336326
Votes in favour of the Resolution	31	2076902 (88.90%)	31	2076902 (88.90%)
Votes against the Resolution	4	259424 (11.10%)	4	259424 (11.10%)

RESULT: All the resolutions carried with requisite majority.

No special resolution is proposed to be conducted through postal ballot so far.

9. Disclosures

- The company does not have related party transactions, which may have potential conflict with the interest of the company at large. Further, the statutory disclosure requirements relating to related party transactions have been complied with the Annual Accounts.
- The financial statements have been made in accordance with the accounting standards so as to represent a true and fair view of the state of affairs of the company.
- The company laid down procedures to inform Board members about the risk assessment and minimization procedures, which are periodically reviewed.
- No penalties or strictures have been imposed on the company by the stock exchanges or SEBI, or any statutory authority on any matter related to the capital market during the last three years.
- The company complied with all the mandatory requirements as prescribed **except that the company has not filled up the vacancy caused by resignation of the Chief Financial Officer during the year under review as required by Clause 49(II)(D)(12A) as stipulated in the Listing Agreement** and made considerable progress towards adopting the non-mandatory requirements. The Company does not have a whistleblower policy. However, no person has been denied access to the Audit Committee.
- In addition to Directors report, a Management Discussion and Analysis Report form part of the Annual Report to the shareholders. All Key Managerial Personnel and Senior Management have confirmed that they do not have any material, financial and commercial interest in transactions with the Company that may have a potential conflict with the interest of the Company at large.

10. Adoption of non-mandatory requirements

The Company had complied with the non-mandatory requirements of Clause 49 of the Listing Agreement with regards to constitution of Remuneration Committee. However, the Remuneration Committee has been dissolved with effect from 8 February, 2011.

HIMALAYA GRANITES LIMITED



11. Means of Communication

The quarterly/half yearly/annual financial results of the company are sent to the Stock Exchange immediately after they are approved by the Board of Directors. These are also published in the prescribed performa within 48 hours of the conclusion of the meeting of the Board in which they are considered in English Newspaper circulating in the whole or substantially the whole of India, and in one vernacular newspaper of the state where the registered office of the Company is situated. In addition, these results are simultaneously posted on Company's website www.hgl.co.in

Details about the means of communication:

Recommendation	Compliance
Quarterly/Annual results	Published in leading newspapers
Newspapers wherein results are normally published	Business Standard/Financial Express (English daily) and Dinamalar/Malai Murasu/Tamil Sudar (Tamil daily).
Any website, where displayed	www.hgl.co.in
Whether it also displays official news releases and presentation made to Institutional Investors and analysts.	No specific presentation was made to analysts during the year.

12. General Shareholder information

i. Date, time & venue of the Annual General Meeting	Thursday, 29 September, 2011 at 1:00 P.M at the Registered Office of the Company at Panchalam Village, Melpettai Post, Tindivanam, Tamilnadu-604 307
ii. Financial Year	Financial year of the company is from 1 April to 31 March. Publication of results for the financial year 2011-12 (tentative and subject to change) First quarter results: On or before 14 August, 2011 Second quarter and half year results: On or before 14 November, 2011 Third quarter results: On or before 14 February, 2012 Fourth quarter results and results for the year ending 31 March 2012: On or before 15 May 2012 and on or before 30 May, 2012 respectively.
iii. Book Closure Period	From 26 September, 2011 to 29 September, 2011 (both days inclusive)
iv. Listing of equity shares at stock exchange	Bombay Stock Exchange Ltd. (BSE) Floor 25, P.J.Towers, Dalal Street Fort, Mumbai - 400001
v. Stock code	BSE:513723



HIMALAYA GRANITES LIMITED

vi. Market price data for the financial year 2010-11.

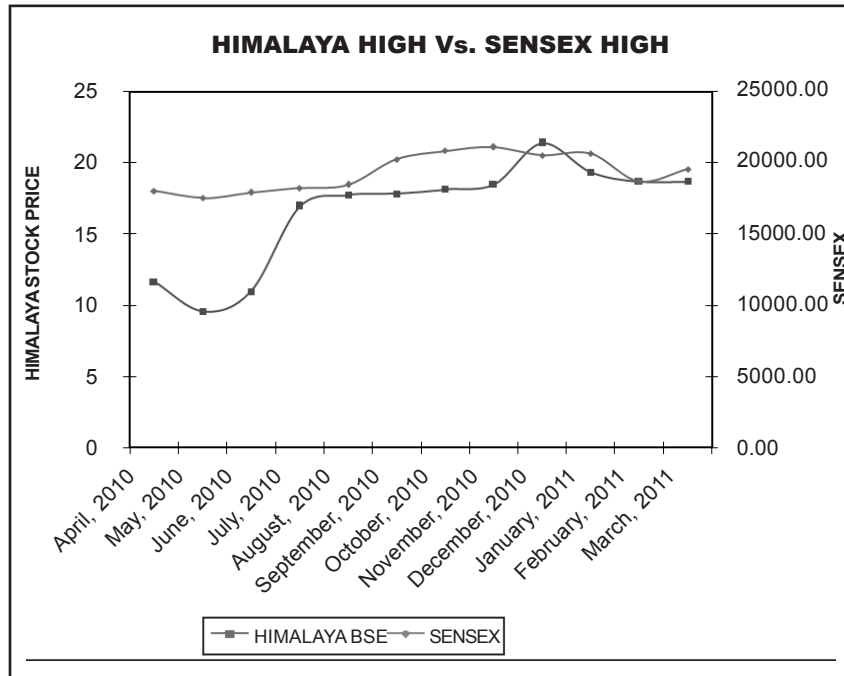
Month	At BSE	
	High (₹)	Low (₹)
April 2010	11.65	9.60
May 2010	9.58	9.13
June 2010	10.97	8.67
July 2010	16.95	11.50
August 2010	17.75	14.05
September 2010	17.84	12.35
October 2010	18.15	15.45
November 2010	18.50	16.70
December 2010	21.40	16.95
January 2011	19.35	16.65
February 2011	18.70	18.60
March 2011	Not available*	Not available*

* There was no trading of shares of the Company at the Stock Exchange during March, 2011.

vii. E-mail ID for Investors: himgran@eth.net

viii. Corporate Identity Number (CIN):L13206TN1987PLC015161

ix. Performance of the company's Share on BSE.



HIMALAYA GRANITES LIMITED



x. Registrars & Share Transfer Agents M/s. S. K. Computers, 34/1A, Sudhir Chatterjee Street, Kolkata – 700 006. Phone: 2219-4815, Fax: 033-2219-4815

xi. Share Transfer System The Company has a committee of the Board of Directors called Share Transfer and Investors' Grievance Committee, which meets as and when required to approve the transfer of shares. The formalities for transfer of shares in the physical form are completed and the share certificates are dispatched to the transferee within 30 days of receipt of the transfer documents, provided the documents are complete and the shares under transfer are not under dispute.

xii. Distribution of shareholding as on 31 March 2011

Equity shares held	Number of Shareholders	Percent of Shareholders	Number of Shares held	Percent of Shares held
1-500	1301	89.85	159029	5.30
501-1000	73	5.04	62265	2.07
1001-2000	30	2.07	46948	1.56
2001-3000	9	0.62	22340	0.74
3001-4000	2	0.14	6742	0.22
4001-5000	4	0.27	18658	0.62
5001-10000	5	0.35	36132	1.20
10001-50000	12	0.83	278776	9.28
50001-100000	3	0.21	261943	8.72
100001 & above	9	0.62	2112167	70.29
Total	1448	100.00	3005000	100.00

xiii. Dematerialisation of Shares and Liquidity The Company's equity shares are tradable compulsorily in electronic form and are available for trading in the depository systems of both National Securities Depository Ltd.(NSDL) and Central Depository Services (India) Ltd. (CDSL). The International Securities Identification Number (ISIN) of the Company, as allotted by NSDL and CDSL is **INE 464C01016**. Nearly **97.02%** of total equity shares have been dematerialized as on 31 March, 2011.



HIMALAYA GRANITES LIMITED

- xiv. Outstanding ADRs/GDRs : Not Applicable
- xv. Plant Location : Panchalam Village
Melpettai Post
Tindivanam-604 307
- xvi. Address for correspondence:
M/s. S.K. Computers
34/1A, Sudhir Chatterjee Street
Kolkata – 700 006
Phone:(033)2219-4815
Fax-(033) 2219-4815
Contact Person: Mr. Dilip Bhattacharya, Sr. Manager
Email: agarwalskc@rediffmail.com

On behalf of the Board of Directors
For **Himalaya Granites Limited**

Place : Kolkata
Dated : 30 May, 2011

Saurabh Mittal
Non-executive Chairman

HIMALAYA GRANITES LIMITED



DECLARATION BY THE MANAGING DIRECTOR AND CEO UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING COMPLIANCE WITH CODE OF CONDUCT

To
The Members of
Himalaya Granites Limited

In accordance with Clause 49(I)(D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the financial year ended on 31 March, 2011.

Place : Kolkata
Dated : 30 May, 2011

Ramesh Kumar Haritwal
Managing Director & CEO



HIMALAYA GRANITES LIMITED

AUDITORS' CERTIFICATE

To
The Members of
Himalaya Granites Limited

We have examined the compliance of Corporate Governance by Himalaya Granites Limited for the year ended March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We certify that the Company has complied with the conditions of Corporate Governance ***except that the Company has not filled up the vacancy caused by resignation of the Chief Financial Officer during the year under review as required by Clause 49(II)(D)(12A) as stipulated in the above-mentioned Listing Agreement.***

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

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

Place : Kolkata
Dated : 30th May 2011

HIMALAYA GRANITES LIMITED



CERTIFICATION BY CHIEF EXECUTIVE OFFICER PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

To
The Board of Directors
Himalaya Granites Limited

- (a) I have reviewed the financial statements and the cash flow statement for the financial year ended on 31 March, 2011 and that to the best of my knowledge and belief:
- i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the Auditors and the Audit Committee that there are no
- i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year; and
 - iii. instances of significant fraud of which I have become aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Kolkata
Date : 30 May, 2011

Ramesh Kumar Haritwal
Managing Director & CEO

Note: This certificate is given by the Managing Director & CEO, who is also heading the finance function of the Company, as there is no Chief Financial Officer in the Company.



HIMALAYA GRANITES LIMITED

AUDITORS' REPORT TO THE MEMBERS OF HIMALAYA GRANITES LIMITED

We have audited the attached Balance Sheet of **M/s. HIMALAYA GRANITES LIMITED** as at 31st March, 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed hereto.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- (1) As required by the Companies (Auditors' Report) Order, 2003 (as amended) issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- (2) Further to our comments in the Annexure referred to in paragraph (1) above:
 - (a) We have 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 Companies Act, 1956 have been kept by the Company so far as appears from our examination of those books and proper returns, certified by the Branch Managers, adequate for the purpose of our audit have been received from some of the branches which have not been visited by us ;
 - (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with in this report are in agreement with the books of account and returns made available to us;
 - (d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement, together with notes thereon, comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
 - (e) On the basis of the written representations received from the directors and taken on record by Board of Directors, we report that none of the said directors is disqualified as on 31st March, 2011 from being appointed as directors in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
 - (f) *The Financial Statements have been prepared on the basis that the Company is a going concern, which assumes continuity of normal business activities and the realization of assets and the settlement of liabilities in the ordinary course of business. The production facilities of the Company continue to remain close since 27-02-2008 and to the best of our information and belief, the*

HIMALAYA GRANITES LIMITED



Management has not yet drawn any future plan for revival of the closed business. These events indicate a material uncertainty and cast significant doubt on the Company's ability to continue as a going concern. However, the Company has since paid the entire dues of its workers, repaid its borrowings from banks and / or financial institutions in full and also discharged a significant portion of its other liabilities. In the opinion of the Management, the Company would be able to realize its assets and discharge the remaining liabilities also in full in the normal course of business. Accordingly, the accounts have been prepared on the assumption that it is a going concern and as such, no adjustments have been made to the financial statements relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities.

Subject to above, in our opinion, the financial statements give the information required by the Companies Act, 1956, in the manner so required and also give a true and fair view:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011; and
- (ii) in the case of the Profit & Loss Account, of the Loss of the Company for the year ended on that date.
- (iii) in the case of the Cash Flow Statement of the cash flows for the year ended on that date.

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

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

Place : Kolkata
Date : 30th May, 2011



HIMALAYA GRANITES LIMITED

ANNEXURE TO AUDIT REPORT

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) A substantial portion of the fixed assets have been physically verified by the management during the year and 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) As the company has disposed off part of its fixed assets and so the going concern status of the company is affected.
2. (a) As explained to us, the inventory has been physically verified during the year by the management at reasonable intervals.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) In our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventory and no material discrepancies were noticed on physical verification.
3. (a) As informed to us, the Company has not granted any loans, secured and unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 and as such clauses (iii)(a) to (iii)(d) are not applicable.
(b) As informed to us, the company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the registered maintained under section 301 of the Act and as such clauses (iii)(e) to (iii)(g) are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system;
5. (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section; and
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The company has not accepted any deposits from the public during the year.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. In respect of the company, no cost records have been prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956.
9. According to the information and explanation given to us in respect of statutory and other dues:
 - (a) The company has been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
Further, since the Central government has till date not prescribed the amount of cess payable under section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.
 - (b) According to information and explanations given to us, no undisputed amount payable in respect of provident fund, investor education and protection fund, employees state insurance, income tax, wealth tax, service tax, sales tax, custom duty, excise duty, cess and other undisputed statutory dues were outstanding at the year end, for a period of more than six months from the date they become payable.
 - (c) According to information and explanations given to us, the following disputed amounts have not been deposited by the company:

HIMALAYA GRANITES LIMITED



Statement of Disputed Dues

Name of the Statute	Nature of the Dues	Amount (Rs)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Income Tax Act 1961	Income Tax, Surcharge, Education Cess and Interest	22,46,480	2001-2002	Commissioner (Appeals) C-III, Kolkata
Income Tax Act 1961	Income Tax, Surcharge, Education Cess and Interest	21,47,537	2002-2003	Commissioner (Appeals) C-III, Kolkata
Income Tax Act 1961	Income Tax, Surcharge, Education Cess and Interest	32,43,128	2005-2006	Commissioner (Appeals) C-III, Kolkata

10. The company does not have accumulated losses at the year-end and has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has issued no debentures. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank as at the Balance Sheet date.
12. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the company.
15. According to information and explanations given to us, the company has not given guarantees for loans taken by others from banks or financial institutions.
16. According to information and explanations given to us, no term loans were taken by the Company during the year.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
18. According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year and hence the question of disclosure and verification of end use of such money does not arise.
19. According to the information and explanations given to us, the company has not issued any debentures.
20. The company has not raised money by public issue during the year and hence the question of disclosure and verification of end use of such money does not arise.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For **D. DHANDARIA & COMPANY**
Chartered Accountants
ICAI Firm Reg. No. **306147E**
(Naveen Kumar Dhandaria)
Partner
Membership No. **061127**

Place : Kolkata
Dated : 30th May, 2011



HIMALAYA GRANITES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2011

SOURCES OF FUNDS:	Schedules	AS AT 31ST MARCH, 2011		AS AT 31ST MARCH, 2010	
		₹	₹	₹	₹
1. SHAREHOLDERS' FUNDS:					
Share Capital	A	30050000		30050000	
Reserves & Surplus	B	<u>66513335</u>		<u>75365304</u>	
			96563335		105415304
2. LOAN FUNDS:					
Unsecured Loans	C		265489		–
3. DEFERRED TAX LIABILITIES (NET)	D		<u>5384083</u>		<u>6571769</u>
TOTAL :			<u>102212907</u>		<u>111987073</u>
APPLICATION OF FUNDS :					
1. FIXED ASSETS:	E				
Gross Block		121812002		159277418	
Less: Depreciation		<u>78035786</u>		<u>109663138</u>	
Net Block			43776216		49614280
2. INVESTMENTS:	F		17000000		17000000
3. CURRENT ASSETS, LOANS & ADVANCES:					
Inventories	G	1712580		2137943	
Sundry Debtors	H	21004830		23450585	
Cash & Bank Balances	I	5037883		4175617	
Loans & Advances	J	<u>16086319</u>		<u>18778518</u>	
		43841612		48542663	
Less: CURRENT LIABILITIES & PROVISIONS	K	<u>2404921</u>		<u>3169870</u>	
NET CURRENT ASSETS			41436691		45372793
TOTAL :			<u>102212907</u>		<u>111987073</u>
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS	R				

The Schedules referred to above form an integral part of the Balance Sheet.

AS PER OUR ANNEXED REPORT OF EVEN DATE.

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

Saurabh Mittal
Non-Executive Chairman

Place : Kolkata
Dated : 30th May, 2011

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

Ramesh Kumar Haritwal
Managing Director & CEO

HIMALAYA GRANITES LIMITED



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

	Schedules	FOR THE YEAR ENDED	
		31ST MARCH, 2011	31ST MARCH, 2010
		₹	₹
INCOME :			
Sales	L	356730	409794
Other Income	M	878919	2416168
Increase/(Decrease) in Stocks	N	(298855)	—
TOTAL		<u>936794</u>	<u>2825962</u>
EXPENDITURE:			
Cost of Materials Sold	O	126508	489269
Payments & Other Benefits to Employees	P	2337355	2539980
Administrative Expenses	Q	5459765	4913640
Interest		1562	3147499
Depreciation		3051259	3173798
Extra Ordinary Items:			
Damage /Detorioration of inventory		—	28935
TOTAL		<u>10976449</u>	<u>14293121</u>
PROFIT BEFORE TAX		(10039655)	(11467159)
For Deferred Tax Release/(Provision)		1187686	(663566)
Income Tax for Earlier Year		—	(158187)
PROFIT AFTER TAX		<u>(8851969)</u>	<u>(12288912)</u>
Add: Balance brought forward from last year		(9228944)	3059968
BALANCE TRANSFERRED TO BALANCE SHEET		<u>(18080913)</u>	<u>(9228944)</u>
BASIC & DILUTED EARNINGS PER SHARE	R	(2.95)	(4.09)

SIGNIFICANT ACCOUNTING POLICIES &
NOTES ON ACCOUNTS

R

The Schedules referred to above form an integral part of the Profit & Loss Account.

AS PER OUR ANNEXED REPORT OF EVEN DATE.

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

Saurabh Mittal
Non-Executive Chairman

Place : Kolkata
Dated : 30th May, 2011

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

Ramesh Kumar Haritwal
Managing Director & CEO



HIMALAYA GRANITES LIMITED

	AS AT 31ST MARCH,2011 ₹	AS AT 31ST MARCH,2010 ₹
<u>SCHEDULE – 'A' :-</u>		
<u>SHARE CAPITAL:</u>		
AUTHORISED :		
40,00,000 Equity Shares of ₹ 10/- each	<u>40000000</u>	<u>40000000</u>
ISSUED, SUBSCRIBED AND PAID UP :		
30,05,000 Equity Shares of ₹ 10/- each (Of the above 12,03,000 Equity Shares of ₹ 10/- each have been allotted as fully paid Bonus Shares by capitalisation of General Reserve)	<u>30050000</u>	<u>30050000</u>
<u>SCHEDULE – 'B' :-</u>		
<u>RESERVES & SURPLUS :</u>		
(a) Securities Premium Account	<u>20000000</u>	<u>20000000</u>
(b) Capital Reserve (Capital Investment Subsidy)	<u>1500000</u>	<u>1500000</u>
(c) General Reserve	63094248	63094248
Less : Debit Balance in Profit & Loss Account	<u>18080913</u>	<u>9228944</u>
	<u>45013335</u>	<u>53865304</u>
TOTAL (a+b+c)	<u>66513335</u>	<u>75365304</u>
<u>SCHEDULE – 'C' :-</u>		
<u>UNSECURED LOANS :</u>		
From a Body Corporate	<u>265489</u>	<u>—</u>
<u>SCHEDULE – 'D' :-</u>		
<u>DEFERRED TAX ASSETS & LIABILITIES</u>		
<u>DEFERRED TAX ASSETS</u>		
Provision for Gratuity / Others	197206	390451
<u>DEFERRED TAX LIABILITIES</u>		
Depreciation	5581289	6962220
NET DEFERRED TAX LIABILITIES	<u>5384083</u>	<u>6571769</u>



SCHEDULE - 'E': FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost As At 01/04/2010 ₹	Addition during the year ₹	Deductions during the year ₹	Cost As At 31/3/2011 ₹	Upto 31/03/2010 ₹	For the year ₹	Adjustment ₹	Upto 31/03/2011 ₹	As At 31/03/2011 ₹	As At 31/03/2010 ₹
1. Land & Developments	1132849	-	-	1132849	-	-	-	-	1132849	1132849
2. Building (Factory)	33711409	-	-	33711409	15659720	1125960	-	16785680	16925729	18051689
3. Building (Others)	13619568	-	-	13619568	2399602	222001	-	2621603	10997965	11219966
4. Plant & Machinery	93802227	-	37424278	56377949	79162652	950209	34648140	45464721	10913228	14639575
5. Vehicles	4925631	-	41138	4884493	2361175	463086	30471	2793790	2090703	2564456
6. Electrical Fittings	6608650	-	-	6608650	6161340	13217	-	6174557	434093	447310
7. Furniture & Fittings	3280864	-	-	3280864	2372156	184728	-	2556884	723980	908708
8. Office Equipments	2196220	-	-	2196220	1546493	92058	-	1638551	557669	649727
Total A	159277418	-	37465416	121812002	1096663138	3051259	34678611	78035786	43776216	49614280
9. Capital Work In Progress	-	-	-	-	-	-	-	-	-	-
Total B	-	-	-	-	-	-	-	-	-	-
Total (A+B)	159277418	-	37465416	121812002	1096663138	3051259	34678611	78035786	43776216	49614280
Previous Year's Total	170644698	-	11367280	159277418	116814656	3173798	10325316	109663138	49614280	-



HIMALAYA GRANITES LIMITED

	AS AT 31ST MARCH,2011 ₹	AS AT 31ST MARCH,2010 ₹
SCHEDULE – 'F' :-		
INVESTMENTS (At Cost)		
LONG TERM INVESTMENTS OTHER THAN TRADE UNQUOTED		
In Avinash Mercantile (P) Limited 60000 Shares of ₹10 each	3000000	3000000
In Ekta Nivesh (P) Limited 50000 Shares of ₹10 each	2500000	2500000
In Hanuman Trading & Feeds (P) Limited 30000 Shares of ₹10 each	3000000	3000000
In Harvard Trading (P) Limited 40000 Shares of ₹10 each	4000000	4000000
In Laxminarayan Vyapaar (P) Limited 100000 Shares of ₹10 each	2500000	2500000
In Usha Polychem (I) (P) Limited 20000 Shares of ₹10 each	2000000	2000000
	<u>17000000</u>	<u>17000000</u>
Aggregate Book Value of Investments		
Quoted	–	–
Unquoted	<u>17000000</u>	<u>17000000</u>
	<u>17000000</u>	<u>17000000</u>
Market Value of Quoted Investments	–	–
	<u>–</u>	<u>–</u>
SCHEDULE – 'G' :-		
INVENTORIES : (As taken, valued and certified by the Management)		
Consumables	102893	102893
Stores & Spares	–	126508
Finished Goods	402304	402304
Goods under process	<u>1207383</u>	<u>1506238</u>
	<u>1712580</u>	<u>2137943</u>
SCHEDULE – 'H' :-		
SUNDRY DEBTORS (unsecured, considered good) :		
Debts outstanding for a period exceeding six months	21004830	23450585
	<u>21004830</u>	<u>23450585</u>
SCHEDULE – 'I' :-		
CASH & BANK BALANCES :		
Cash in Hand	4117144	3734484
Balances with Scheduled Banks :		
On Current Accounts	722386	441133
On Fixed & Recurring Deposits Accounts	<u>198353</u>	–
	<u>5037883</u>	<u>4175617</u>

HIMALAYA GRANITES LIMITED



	AS AT 31ST MARCH, 2011 ₹	AS AT 31ST MARCH, 2010 ₹
<u>SCHEDULE – ‘J’ :-</u>		
<u>LOANS & ADVANCES :</u>		
(Unsecured, Considered good):		
Advances (recoverable in cash or in kind or for value to be received or adjusted):		
– To Staff	635572	724458
– Against Purchase of Raw Materials, Stores & Others	5693260	5175578
– To Others	–	4296460
Prepaid expenses	1307198	94982
Security Deposits	1008787	1128262
Income Tax Advance (net off Provisions)	7247541	7164817
Service Tax Refund Receivable	193961	193961
	16086319	18778518
<u>SCHEDULE – ‘K’ :-</u>		
<u>CURRENT LIABILITIES & PROVISIONS :</u>		
[A] <u>CURRENT LIABILITIES :</u>		
Sundry Creditors for Goods , Expenses etc	333593	715863
Unclaimed Dividends *	206932	230399
Liabilities		
For Expenses	1159810	888788
For Other Finance	96770	186098
TOTAL-A	1797105	2021148
[B] <u>PROVISIONS :</u>		
For Gratuity	607816	1148722
TOTAL-B	607816	1148722
TOTAL (A+B)	2404921	3169870
* Amounts due and outstanding to be credited to the Investor Education and Protection Fund Nil (Previous year Nil)		
<u>SCHEDULE – ‘L’ :-</u>		
<u>SALES :</u>		
Dimensional Granite Blocks (Local)	321860	409794
Miscellaneous Sales	34870	–
	356730	409794
<u>SCHEDULE – ‘M’ :-</u>		
<u>OTHER INCOME :</u>		
Interest Received	133071	1891182
Rent Received	700000	–
Profit on Sale of Fixed Assets	–	452536
Provision for Gratuity Written back	45848	–
Liabilities Written Back	–	72450
	878919	2416168



HIMALAYA GRANITES LIMITED

	FOR THE PERIOD ENDED 31ST	
	MARCH, 2011	MARCH, 2010
	₹	₹
SCHEDULE – 'N' :-		
INCREASE/(DECREASE) IN STOCKS :		
OPENING STOCK		
Finished Goods	402304	431239
Goods under Process	1506238	1506238
	<u>1908542</u>	<u>1937477</u>
Less : Damage /Detorioration of inventory	–	28935
	A <u>1908542</u>	<u>1908542</u>
CLOSING STOCK		
Finished Goods	402304	402304
Goods under Process	1207383	1506238
	B <u>1609687</u>	<u>1908542</u>
Increase / (Decrease) in Stocks	(A-B) <u>(298855)</u>	<u>–</u>
SCHEDULE – 'O' :-		
COST OF MATERIALS SOLD :		
Opening Stock	–	489269
Less : Closing Stock	<u>–</u>	<u>–</u>
Cost of Raw Materials sold during the year	–	489269
Add : Cost of Spares sold during the year	126508	–
Cost of Materials sold during the year	<u>126508</u>	<u>489269</u>
SCHEDULE 'P' :-		
PAYMENTS & OTHER BENEFITS TO EMPLOYEES :		
Salary, Wages & Bonus	2122704	2147438
Contribution to Provident & Other Funds	171217	219552
Employees' Welfare Expenses (including Workmens' compensation)	43434	52475
Gratuity	–	120515
	<u>2337355</u>	<u>2539980</u>
SCHEDULE 'Q' :-		
ADMINISTRATIVE EXPENSES :		
Rent	296700	305700
Rates & Taxes	166857	148418
Insurance Charges	74533	498323
Telephone Expenses	74965	110955
Travelling Expenses (including Foreign Travel)	163036	99588
Miscellaneous Expenses	1699366	1946875
Vehicle Expenses	400143	335365
Sales Tax	–	2487
Directors' Remuneration	1314000	1314000
Directors' Sitting Fees	8000	11000
Bank Charges	23366	37245
Auditors' Remuneration	106994	103684
Loss on Sale of Fixed Assets	1131805	–
	<u>5459765</u>	<u>4913640</u>

HIMALAYA GRANITES LIMITED



SCHEDULE 'R' :-

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES :

1. ACCOUNTING CONCEPTS & BASIS OF PRESENTATION

i. Basis of preparation:

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis, except for certain fixed assets which are revalued. GAAP comprises mandatory accounting standards as specified in the Company (Accounting Standards) Rules 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India. 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 management evaluates all recently issued or revised accounting standards on an on-going basis. Where changes are made in presentation, the comparative figures of the previous year are regrouped and re-arranged accordingly.

ii. 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.

iii. Revenue Recognition:

- a) 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.
- b) Interest income is recognized from time proportion basis taking into account the amount outstanding and rate applicable.

iv. Where changes are made in presentation, the comparative figures of the previous year are regrouped accordingly.

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

2. FIXED ASSETS:

Capitalised at acquisition cost including directly attributable costs such as freight, insurance, installation charges and incidental expenses for bringing the assets to its working condition for use.

3. INVESTMENTS:

Investments, being long term in nature, are stated at cost of acquisition. Adjustment for increase/decrease in the value of investments, if any, will be accounted for on realisation of the investments. However, any permanent fall in market value of investments is considered.



HIMALAYA GRANITES LIMITED

4. INVENTORIES:

- a) Raw Materials, Consumables, Stores and spare parts and Goods under Process 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.
- b) Finished goods are valued at lower of cost and net realisable value.

5. TAXATION:

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.

6. FOREIGN CURRENCY TRANSACTIONS:

- a) Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing at the time of the transactions.
- b) In conformity with revised Accounting Standard (AS – 11), issued by the Institute of Chartered Accountants of India (ICAI), monetary items denominated in foreign currencies at the year end and not covered by forward exchange contracts are translated at year end rates and those covered by forward exchange contracts are translated at the rate ruling at the date of transaction as increased or decreased by the difference between the forward rate and exchange rate on the date of transaction, such difference having been amortised over the life of the contract.
- c) Non-monetary items carried at historical cost are reported using the rate at the date of transaction.
- d) Other non-monetary items are carried at fair value, are reported using the rate that existed when the fair values were determined.

7. CONTINGENT LIABILITIES :

Contingent Liabilities are not provided for but are disclosed by way of Notes on Accounts.

8. VAT, SERVICE TAX & EDUCATION CESS

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

9. DEPRECIATION:

- a) Depreciation on Fixed Assets is provided for on straight line method in accordance with and generally at the rates specified in Schedule XIV to the Companies Act, 1956. The revised rates have been straightaway applied to all existing assets and to those assets acquired during the year.
- b) Depreciation in respect of additions to assets has been charged on pro rata basis with reference to the period of use of such assets. The provision for depreciation for multiple shifts has been made on the basis of the actual utilisation of respective eligible assets.

10. EMPLOYEE BENEFITS:

- a) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.

HIMALAYA GRANITES LIMITED



- b) 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 Profit and Loss Account.

B. NOTES ON ACCOUNTS:

	<u>FOR THE YEAR ENDED</u>	
	<u>31.03.2011</u>	<u>31.03.2010</u>
	₹	₹
1) CONTINGENT LIABILITIES		
Contingent liabilities not provided for:		
i) Counter guarantees given to the banker /others in respect of the others guarantees given by them, for removal of excisable goods/customs duty	15000000	15000000
ii) Disputed Demand of Income Tax in Appeal	7637145	7637145
	<u>FOR THE YEAR ENDED</u>	
	<u>31.03.2011</u>	<u>31.03.2010</u>
	₹	₹
2) AUDITORS' REMUNERATION INCLUDES :		
(a) Audit fees	85000	(85000)
(b) Fees for Certifications	12000	(9000)
(c) For Service Tax	9994	(9684)
	<u>106994</u>	<u>(103684)</u>
3) a) The Company has been advised that the computation of net profits for the purpose of Directors' remuneration under Section 349 of the Companies Act, 1956 need not be enumerated since no commission has been paid to the Directors. Fixed monthly remuneration has been paid to the Managing Director as per Schedule XIII to the Companies Act, 1956.		
	<u>FOR THE YEAR ENDED</u>	
	<u>31.03.2011</u>	<u>31.03.2010</u>
	₹	₹
(b) DIRECTORS' REMUNERATION:		
Managing Director's Salary	1329000	(1329000)
Contribution to Provident Fund	110016	(110016)
	<u>1439016</u>	<u>(1439016)</u>
4) As no enterprise has informed to the company that it is registered under the Micro, Small & Medium Enterprises Development (MSMED) Act, 2006, the company has nothing to disclose under this Act.		
5) Balances under Sundry Debtors, Sundry Creditors, Loans and Advances payable or receivable are subject to confirmation to be received from some of the parties.		



HIMALAYA GRANITES LIMITED

6. Additional information pursuant to the provisions of Paragraph III & IV of the Schedule VI of the Companies Act, 1956.

		FOR THE YEAR ENDED			
		31.03.2011		31.03.2010	
a.	Licensed Capacity:				
	Granite Monuments (Sq. mtr)	26500		26500	
	Dimensional Granite Blocks (CBM)	Not Applicable		Not Applicable	
b.	Installed Capacity:				
	Granite Monuments (Sq. mtr)	26500		26500	
	Dimensional Granite Blocks (CBM)	Not Ascertainable		Not Ascertainable	
c.	Particulars of Manufactured/Traded Goods:				
	Granite Monuments	Quantity (Sq. mtr.)		Value (₹)	
		<u>31.03.2011</u>	<u>31.03.2010</u>	<u>31.03.2011</u>	<u>31.03.2010</u>
	Opening Stock	90.247	90.247	402304	402304
	Production	-	-	-	-
	Purchases	-	-	-	-
	Sales	-	-	-	-
	Closing Stock	90.247	90.247	402304	402304
	Goods under process (Monuments)	Quantity (CBM)		Value (₹)	
		<u>31.03.2011</u>	<u>31.03.2010</u>	<u>31.03.2011</u>	<u>31.03.2010</u>
	Opening Stock	1638.112	1638.112	1506238	1506238
	Closing Stock	1313.092	1638.112	1207383	1506238
	Dimensional Granite Blocks	Quantity (CBM)		Value (₹)	
		<u>31.03.2011</u>	<u>31.03.2010</u>	<u>31.03.2011</u>	<u>31.03.2010</u>
	Opening Stock	-	11.630	-	28935
	Production	-	-	-	-
	Purchases	-	-	-	-
	Sales	-	-	-	-
	Closing Stock	-	-	-	-
		FOR THE YEAR ENDED			
		31.03.2011		31.03.2010	
		Qty. (CBM)	Value (₹)	Qty.	Value (₹)
d.	Raw Materials Consumed				
	Dimensional Granite Blocks	-	-	180.816	489269
		FOR THE YEAR ENDED			
		31.03.2011		31.03.2010	
e.	Value of Imports calculated on CIF Basis :				
	i. Components, Spare Parts and consumables	-		-	
f.	Expenditure in Foreign Currency	-		-	
g.	Earnings in Foreign Currency	-		-	
	FOB value of Exports	-		-	

HIMALAYA GRANITES LIMITED



h. Value of raw materials, stores & spare parts consumed	CONSUMPTION VALUE ₹	PERCENTAGE TO TOTAL CONSUMPTION
a) Raw Materials Indigenous	— (489269)	— (100)
b) Consumable Stores & Spares Imported	— (—)	— (—)
Indigenous	— —	— —

Note: The figures and words in brackets are for previous year.

7. Earnings per Share

FOR THE YEAR ENDED

	31.03.2011	31.03.2010
Profit after taxation as per Profit & Loss Account	(8851969)	(12288912)
Weighted average number of equity shares outstanding	3005000	3005000
Basic and diluted earnings per share in rupees (face value ₹10 per share)	(2.95)	(4.09)

8. Segment Reporting (Under Accounting Standard AS - 17 issued by ICAI)

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.

9. Related Party Disclosures (under Accounting Standard AS - 18 issued by ICAI)

A) List of Related Parties

Parties with whom the Company has entered into transactions during the year

Parties where control exists

- Greenply Industries Ltd.
- Sri Shiv Prakash Mittal, Chairman
- Sri Ramesh Kumar Haritwal, Managing Director & CEO
- Sri Saurabh Mittal, Director

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

B) Transactions with Related Parties :

Particulars	Control FOR THE YEAR ENDED	
	31.03.2011	31.03.2010
	₹	₹
Rent Received	700000	—
Managerial Remuneration & meeting fees	1439016	1439016



HIMALAYA GRANITES LIMITED

10) BALANCE SHEET ABSTRACT AND GENERAL BUSINESS PROFILE AS AT & FOR THE YEAR ENDED 31ST MARCH, 2011

1 REGISTRATION DETAILS

REGISTRATION NO.	15161	STATE CODE :	18
BALANCE SHEET DATE	31/03/2011		

2 CAPITAL RAISED DURING THE YEAR

PUBLIC ISSUE	NIL	BONUS ISSUE	NIL
RIGHT ISSUE	NIL	PRIVATE PLACEMENT	NIL

3 POSITION OF MOBILISATION AND DEVELOPMENT OF FUNDS (Amount in ₹ Thousands)

TOTAL LIABILITIES	104618	TOTAL ASSETS	104618
SOURCE OF FUNDS		APPLICATION OF FUNDS	
PAID-UP-CAPITAL	30050	NET FIXED ASSETS	43776
RESERVES & SURPLUS	66513	INVESTMENTS	17000
SECURED LOANS	265	NET CURRENT ASSETS	41437
UNSECURED LOANS	—	MISC. EXPENDITURE	—
DEFERRED TAX LIABILITIES	5384		

4 PERFORMANCE OF COMPANY

TURNOVER	1236	PROFIT BEFORE TAX	(10040)
(INCLUDING OTHER INCOME)		PROFIT AFTER TAX	(8852)
TOTAL EXPENDITURE	11275	DIVIDEND RATE (%)	—
EARNING PER SHARE (IN ₹)	(2.95)		

5 GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF COMPANY

ITEM CODE NO. (ITC) CODE	2516.90.90
PRODUCT DESCRIPTION	GRANITE MONUMENTS
ITEM CODE NO. (ITC) CODE	2516.11.00
PRODUCT DESCRIPTION	DIMENSIONAL GRANITE BLOCKS

Signatures to Schedules A to R

AS PER OUR ANNEXED REPORT OF EVEN DATE.

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

Saurabh Mittal
Non-Executive Chairman

Place : Kolkata
Dated : 30th May, 2011

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

Ramesh Kumar Haritwal
Managing Director & CEO

HIMALAYA GRANITES LIMITED



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	FOR THE YEAR ENDED 31ST MARCH, 2011		FOR THE YEAR ENDED 31ST MARCH, 2010	
	₹	₹	₹	₹
A. CASH FLOW ARISING FROM OPERATING ACTIVITIES:				
Net Profit before Tax and Extraordinary items		(10039655)		(11467159)
Add: a) Depreciation	3051259		3173798	
b) Interest	1562		3147499	
c) Loss on Sale of Fixed Assets	1131805		–	
d) Gratuity	–		120515	
		<u>4184626</u>		<u>6441812</u>
		(5855029)		(5025347)
Less: a) Interest Income	133071		1891182	
b) Profit on Sale of Fixed Assets	–	133071	452536	2343718
Operating Profit before Working Capital Changes		(5988100)		(7369065)
Less: a) Increase in Trade and Other Receivables	(5137954)			(48706198)
b) Decrease in Inventories	(425363)			(518204)
c) Decrease in Trade Payables	224043	(5339274)	14235860	(34988542)
Cash Inflow (+)/Outflow (-) from Operations		(+) (648826)		(+) 27619477
Add/Less: a) Interest Paid	1562		3147499	
b) Gratuity Paid	540906		70756	
c) Income Tax Paid/refund received (-)	–	542468	158187	3376442
Net Cash Inflow (+)/Outflow (-) in course of Operating Activities		(+) (1191294)		(+) 24243035
B. CASH FLOW ARISING FROM INVESTING ACTIVITIES:				
INFLOW				
a) Sale of Fixed Assets	1655000		1494500	
b) Sale of Investments	–		13000000	
c) Interest Received	133071	1788071	1891182	16385682
Less: OUTFLOW				
a) Acquisition of Fixed Assets	–		–	
b) Acquisition of Investments	–	–	–	–
Net Cash Inflow (+) / Outflow (-) in course of Investing Activities		(+) 1788071		(+) 16385682



HIMALAYA GRANITES LIMITED

	FOR THE YEAR ENDED 31ST MARCH, 2011		FOR THE YEAR ENDED 31ST MARCH, 2010	
	₹	₹	₹	₹
C. CASH FLOW ARISING FROM FINANCING ACTIVITIES:				
INFLOW				
a) Borrowings	<u>265489</u>		<u>(23744651)</u>	
		<u>265489</u>		<u>(23744651)</u>
DEDUCT : OUTFLOW				
a) Repayment of Borrowings	–		18398732	
b) Dividend & Corporate Dividend Tax Paid	<u>–</u>		<u>–</u>	
		–		18398732
Net Cash Outflow/(Inflow) in course of Financing Activities		<u>(265489)</u>		<u>42143383</u>
Net Increase/ (Decrease) in Cash/Cash Equivalents (A+B+C)		862266		(1514666)
ADD : Balance at the begining of the year		4175617		5690283
Cash / Cash Equivalents at the close of the Year		<u>5037883</u>		<u>4175617</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

Place : Kolkata
Dated : 30th May, 2011

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

Ramesh Kumar Haritwal
Managing Director & CEO



HIMALAYA GRANITES LIMITED

Regd. Office : Panchalam Village, Melpettai Post, Tindivanam,
Tamilnadu - 604 307

DP.ID*	
Client ID*	

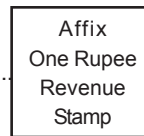
PROXY FORM

Regd. Folio No.	
-----------------	--

I/We..... of..... in the district of
..... being member(s) of **HIMALAYA GRANITES LIMITED**, hereby appoint
..... of.....
in the District ofor failing him/her of
.....in the district ofas my/our proxy
to attend and vote for me / us and on my / our behalf at the 23rd Annual General Meeting of the Company to be
held on Thursday, 29 September, 2011 and at any adjournment thereof.

Signed this..... day of2011.

Full Name.....



Folio No.....No. of Share Held.....

Note :

The Proxy must be deposited at the Registered Office of the Company, not less than 48 hours before the time for holding of the aforesaid meeting.

★ Applicable for investors holding shares in electronic form.

HIMALAYA GRANITES LIMITED

Regd. Office : Panchalam Village, Melpettai Post, Tindivanam,
Tamilnadu - 604 307

DP.ID*	
Client ID*	

ATTENDANCE SLIP

Regd. Folio No.	
-----------------	--

Please complete this Attendance Slip and hand it over at the entrance of the meeting hall.

NAME OF THE MEMBERS

NO. OF SHARE(S) HELD

I hereby record my presence at the 23rd Annual General Meeting being held at Himalaya Granites Limited, Panchalam Village, Melpettai Post, Tindivanam, Tamilnadu - 604 307

SIGNATURE OF THE MEMBER OR PROXY

★ Applicable for investors holding shares in electronic form.

BOOK-POST

**ANNUAL REPORT
2010-2011**

If undelivered please return to :
HIMALAYA GRANITES LIMITED
16A, SHAKESPEARE SARANI
KOLKATA - 700 071