
ANNUAL REPORT 2011-2012



HIMALAYA GRANITES LIMITED

HIMALAYA GRANITES LIMITED



Corporate Information as on 30 May, 2012

BOARD OF DIRECTORS

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

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

REMUNERATION COMMITTEE

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

REGISTERED OFFICE

Panchalam Village
Melpettai Post, Tindivanam
Tamilnadu-604 307



HIMALAYA GRANITES LIMITED

NOTICE

NOTICE is hereby given that the 24th Annual General Meeting of the members of the Company will be held on Friday, 28 September, 2012 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 Balance Sheet as at March 31, 2012, the Statement of Profit & Loss for the year ended on that date and reports of the Directors and Auditors thereon.
- 2) To appoint a director in place of Mr.Saurabh Mittal, 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 (Registration No. 306147E), 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”.

Special Business

- 4) To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and 311 and all other applicable provisions of the Companies Act, 1956 (hereinafter referred to as “the act”), read with Section II Part II Schedule XIII of the Act including any amendment and re-enactment thereof approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Ramesh Kumar Haritwal, Managing Director & CEO of the Company for a period of 3 (three) years with effect from 1st June, 2012 to 31st May, 2015 on the terms and conditions including remuneration as set out in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT Mr. Saurabh Mittal, Non-Execitive Chairman of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary to give effect to the aforesaid resolutions.”

HIMALAYA GRANITES LIMITED



- 5) To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Mr. Pradip Manharlal Domadia, who was appointed as an additional director by the Board of Directors under Section 260 of the Companies Act, 1956 and Article 135 of Articles of Association of the Company and who holds office only up to the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 proposing his candidature for the office of director of the Company, be and is hereby appointed as director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT Mr. Saurabh Mittal, Non-Executive Chairman and Mr. Ramesh Kumar Haritwal, Managing Director & CEO of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary to give effect to the aforesaid resolutions.”

Place : Kolkata

Dated : 30 May, 2012

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. An explanatory statement, pursuant to Section 173(2) of the Companies Act, 1956, in respect of special businesses to be transacted at the meeting is annexed hereto.
2. **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.**
3. The Register of Members and Share Transfer Books of the company will remain closed from 25 September, 2012 to 28 September, 2012 (both days inclusive).
4. 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.
5. Members are requested to promptly notify any change in their address to the Share Transfer Agents M/s. S. K. Infosolutions Pvt. Ltd., 34/1A, Sudhir Chatterjee Street, Near Girish Park Metro Station, Kolkata-700 006, Phone: 033- 2219-4815/6797, Fax: (033) 2219-4815
6. Members are requested to bring their attendance slip along with their copies of annual reports to the meeting.
7. Members holding shares in physical form are advised to make nomination in respect of their shareholding in the Company.
8. Company's shares are listed on BSE Ltd. and listing fees for the financial year 2012-13 has been paid to above Stock Exchange.
9. Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, the final dividend for the year ended 31 March, 2004 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.
10. Pursuant to the provisions of the Companies Act, 1956, the final dividend for the financial year ended 31 March 2005 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 2005 to Investor Education and Protection Fund is October, 2012. Shareholders, who have not yet encashed their dividend warrants for the financial year ended 31 March 2005 and any subsequent financial years are requested to make their claim to the Company's Registrars and Share Transfer Agents immediately.
11. 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.
12. Relevant documents referred to in the accompanying notice/explanatory statement are open for inspection by the members at the registered office of the Company on all working days, except Saturdays, between 11:00 a.m. and 1:00 p.m. up to the date of the ensuing Annual General Meeting.

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13. 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.
14. Brief resume of the directors proposed to be appointed/re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange, are provided in the Report on Corporate Governance forming part of the Annual Report.

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956

Item No. 4

The Board of Directors of your Company at its meeting held on 30th May, 2012 has approved, in accordance with the provisions of Sections 198, 269, 309, 310 and 311 read with Section II Part II Schedule XIII and other applicable provisions of the Companies Act, 1956, the re-appointment of Mr. Ramesh Kumar Haritwal as Managing Director and CEO of the Company for a period of three years with effect from 1st June, 2012. The Remuneration Committee of the Company has also approved the remuneration of Mr. Ramesh Kumar Haritwal on his re-appointment. The said reappointment is subject to the approval of shareholders of the Company. The terms and conditions of reappointment including remuneration of Mr. Ramesh Kumar Haritwal are as below.

Salary & Perquisites:

He shall be entitled to the following remuneration and perquisites:

1	Salary: ₹ 1,07,000/- per month w.e.f. 1 st June, 2012.
2	Reimbursement of medical expenses incurred in India or abroad including hospitalization, nursing home and surgical charges for himself and family subject to ceiling of one month's salary in a year.
3	Reimbursements of actual travelling expenses for proceeding on leave with family to anywhere in India or abroad as per rules of the Company.
4	Reimbursement of membership fees for a maximum of two clubs.
5	Personal accidents and Mediclaim Insurance Policy, premium not to exceed ₹ 50,000/- per annum.
6	Car, Telephone, Cell Phone, PC shall be provided and their maintenance and running expenses shall be met by the Company. The use of above at residence for official purpose shall not be treated as perquisites.
7	Other benefits like Gratuity, Provident Fund, Leave etc. as applicable to the employees of the Company.

However, the total remuneration payable to Mr. Ramesh Kumar Haritwal shall not exceed ₹ 1,25,000.00 per month.



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Other Terms and Conditions:

No sitting fees will be paid to Mr. Ramesh Kumar Haritwal for attending meeting of the Board of Directors or any committee thereof.

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

As per the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII of the Companies Act, 1956, appointment/reappointment of a managerial person requires approval of the shareholders in general meeting. The effective capital of the Company as on 31.03.2012 was between five crores and twenty-five crores. The proposed remuneration of Mr. Ramesh Kumar Haritwal is in accordance with the ceiling prescribed in Paragraph 1(A) of Section II of Part II of Schedule XIII and accordingly your directors recommend the proposed resolution for your approval as an ordinary resolution.

None of the directors is in any way interested or concerned in the above re-appointment except Mr. Ramesh Kumar Haritwal.

Item No. 5

The Board of Directors of the Company at its meeting held on 30 May, 2012 appointed Mr. Pradip Manharlal Domadia as an Additional Director of the Company in accordance with the provisions of Section 260 of the Companies Act, 1956 and Article 135 of the Articles of Association of the Company. Mr. Pradip Manharlal Domadia holds office as an Additional Director up to the date of ensuing Annual General Meeting. The Company has received a notice in writing from a member along with deposit of ₹ 500 proposing the candidature of Mr. Pradip Manharlal Domadia for the office of director of the Company under the provisions of Section 257 of the Companies Act, 1956. At present Mr. Pradip Manharlal Domadia is holding 700 equity shares of the Company. Your directors recommend the resolution for your approval as an ordinary resolution.

None of the Directors is in any way concerned or interested in this resolution except Mr. Pradip Manharlal Domadia.

Place : Kolkata
Dated : 30 May, 2012

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



DIRECTORS' REPORT

Your Directors present herewith the 24th Annual Report together with the Audited Accounts of your Company for the year ended 31 March, 2012.

FINANCIAL HIGHLIGHTS:

	<u>2011-12</u>	<u>(₹ in Lacs)</u> <u>2010-11</u>
Revenue from Operation	3.15	3.57
Other Income	56.92	8.79
Profit/(Loss) before Finance Cost, Depreciation & Amortization Expenses and Tax Expenses	(1.41)	(69.87)
Less :		
a) Finance Cost	–	0.02
b) Depreciation & Amortization Expenses	28.29	30.51
Profit/(loss) Before Tax	(29.70)	(100.40)
Provision for Tax	–	–
Deferred Tax Release/(Provision)	10.48	11.88
Profit/(loss) After Taxation	(19.22)	(88.52)
Balance Brought Forward from earlier years	(180.81)	(92.29)
Balance carried to Balance Sheet	(200.03)	(180.81)

REVIEW OF OPERATIONS

During the year under review, your Company continued to let out part of its factory shades. Further, in accordance with the approval of the members under Section 293(1)(a) of the Companies Act, 1956 obtained vide resolution passed through postal ballot on 29.12.2009, the Company is in the process of selling out the plant and machinery of the Unit situated at Panchalam Village, Melpettai Post, Tindivanam, Tamilnadu – 604 307.

TRANSFER TO GENERAL RESERVE

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

DIVIDEND

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

DIRECTORS

Pursuant to provisions of Section 260 of the Companies Act, 1956 and Article 135 of Articles of Association of the Company Mr. Pradip Manharlal Domadia was appointed as an additional director to hold office up to the date of ensuing Annual General Meeting. A notice has been received in writing from a member of the Company together with a deposit of ₹ 500/- pursuant to Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Pradip Manharlal Domadia for the office of director, liable to retire by rotation."

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

Board of Directors of the Company, subject to the approval of shareholders of the Company, has re-appointed Mr. Ramesh Kumar Haritwal, Managing Director & CEO of the Company for a period of three



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years with effect from 1st June, 2012 to 31st May, 2015. The Remuneration Committee of the Company has also approved the remuneration of Mr. Ramesh Kumar Haritwal on his re-appointment.

Your directors recommend the above appointment/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.

COMPLIANCE CERTIFICATE

The compliance certificate for the year ended 31st March, 2012, in accordance with provisions of Section 383A (1) of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules, 2001, is annexed to this report which being self-explanatory needs no 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.

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CEO AND CFO CERTIFICATION

Owing to closure of production facility and financial instability, the Company could not fill-up the vacancy caused by the resignation of CFO in 2010-11. Mr. Ramesh Kumar Haritwal, Managing Director and CEO of the Company was requested to head the finance function of the 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 2012. 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, 2012

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>2011-12</u>	<u>2010-11</u>
I. POWER & FUEL CONSUMPTION		
Electricity		
<u>Purchased :</u>		
Units	13650	21582
Total Amount (₹)	77577	133452
Rate per Unit (₹)	5.68	6.18
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, 2012

Saurabh Mittal
Non-executive Chairman

HIMALAYA GRANITES LIMITED



SECRETARIAL COMPLIANCE CERTIFICATE AS ON 31ST MARCH, 2012

COMPLIANCE CERTIFICATE

CIN No. : L13206TN1987PLC015161
Authorised Capital : Rs. 40,000,000/-
Paid up Capital : Rs. 30,050,000/-

To,
The Members,
M/s. HIMALAYA GRANITES LIMITED
PANCHALAM VILLAGE,
MELPETTAI POST,
TINDIVANAM,
TAMIL NADU - 604307

I have examined the registers, records, books and papers of **M/s. HIMALAYA GRANITES LIMITED** as required to be maintained under the Companies Act 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended **31st March, 2012**. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers as stated in **Annexure "A"** to this certificate as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure "B"** to this certificate with the Registrar of Companies, Regional Director, Central Government, Company law board or other Authorities within the time prescribed under the Act and the rules made thereunder.
3. The company is a Public Limited Company and hence comments are not required.
4. The Board of Directors duly met **4(Four)** times on 30.05.2011, 08.08.2011, 05.11.2011 and 02.02.2012 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Books maintained for the purpose.
5. The company has closed its Register of Members from 26.09.2011 to 29.09.2011 both days inclusive during the financial year ending 31.03.2012 and have complied with the provisions of Section 154 of the Companies Act, 1956.
6. The Annual General Meeting for the Financial Year ended on 31st March, 2011 was held on dated 29.09.2011 after giving due notice to the member of the company and the resolution passed there at were duly recorded in the minute book maintained for the purpose.



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SECRETARIAL COMPLIANCE CERTIFICATE AS ON 31ST MARCH, 2012

7. No Extra Ordinary General Meeting was held during the financial year.
8. The company has not granted loans or given advances to companies, firms or parties referred to in the section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or the Central Government, as the case may be.
12. The Company has not issued any duplicate certificates during the financial year.
13. The company has:
 - (i) delivered all certificate on lodgment there of for transfer/transmission or any other purposes in accordance with the provisions of the Act;
 - (ii) & (iii) not declared the dividend during the year under review.
 - (iv) no amount in unpaid dividend account, application money due for refund ,matured deposit, matured debenture and the interest accrued there on which have remained unclaimed or unpaid for a period of seven years for transfer to Investor Education and Protection Fund.
 - (v) duly complied with requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted and the appointment of the directors, additional director, alternate director to fill casual vacancies have been duly made.
15. The Company has not appointed any Managing Director / Whole time Director / Manager as referred to under Section 269 during the financial year.
16. The Company has not appointed any sole- selling agent during the financial year.
17. During the year Company was not required to obtained approval of the Registrar of companies or such other authorities prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms/ Companies, wherever required, to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any Shares during the financial year and complied with the provisions of the Act.
20. The Company has not bought back shares during the financial year.
21. There was no redemption of Preference shares / debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of transfer of shares during the financial year.

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SECRETARIAL COMPLIANCE CERTIFICATE AS ON 31ST MARCH, 2012

23. The Company has not invited / accepted any public deposits including any unsecured loans falling within the purview of Section 58A and 58AA read with the Companies (Acceptance of Deposit) Rules, 1975 the applicable directions issued by the Reserve Bank of India/ any other authority in this regard during the financial year.
24. The amount borrowed by the company from directors, members, public financial institutions, banks and others during the financial year ending 31.3.2012 is within the borrowing limits of the company and necessary resolution as per section 293(1) (d) of the Act have been passed in duly convened general meeting.
25. The company has made loans and investments or has given guarantee or has provided securities to other bodies corporate and has made necessary entries in register kept for that purposes.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one state to another state during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to the Authorised share capital of the Company during the end of the financial year.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company for alleged offences under the Act, Hence no fines and penalties or any other punishment imposed on the Company during the financial year.
32. The Company has not received any money as security from its employees during the year under certification.
33. The company has deposited both employees and employers contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

Place: Kolkata
Date: 30.05.2012

PRAMOD KUMAR PAL
Company Secretary
(Proprietor)
C.O.P. No.:8425



HIMALAYA GRANITES LIMITED

SECRETARIAL COMPLIANCE CERTIFICATE AS ON 31ST MARCH, 2012

Annexure A

Registers as maintained by the Company :

1. Register of Managing Director, Director, Manager – u/s 303
2. Register of Contracts – u/s 301
3. Register of Investment, Loan made, Guarantee given – u/s 372A
4. Register of Share Certificate, Application and Allotment
5. Register of Directors Shareholding – u/s 307
6. Register of Members – u/s 150
7. Register of charges – u/s 143
8. Register of fixed assets

Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the Financial Year ending on **31st March 2012**.

Sl.No.	Description/e-form	Section	Document Date	Filing Date
01.	Annual Accounts (F-23AC&ACA - XBRL)	220	31-03-2011	22.12.2011
02.	Annual Return (F-20B)	159	31-03-2011	14.11.2011
03.	Compliance Certificate (F-66)	383A	31-03-2011	21.11.2011
04.	Form-1(Awareness and Protection of Investors)	Rule 3	31-03-2011	23.11.2011

HIMALAYA GRANITES LIMITED



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. Further, in accordance with the approval of the members under Section 293(1)(a) of the Companies Act, 1956 obtained vide resolution passed through postal ballot on 29.12.2009, the Company is in the process of selling out the plant and machinery of the Unit situated at Panchalam Village, Melpettai Post, Tindivanam, Tamilnadu – 604 307.

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.

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 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, 2012

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

As on 31 March, 2012, your Company's Board comprises four directors headed by a Non-Executive Chairman as below:

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

Board Meetings

During the financial year ended 31 March 2012, four Board Meetings were held on 30 May 2011, 8 August 2011, 05 November 2011 and 2 February 2012.

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	4	2	No	2	3	3	–
Mr. Ramesh Kumar Haritwal (DIN 01486666)	Managing Director & CEO	4	4	Yes	–	–	–	–
Mr. Beni Gopal Saraf (DIN 00267858)	Non-Executive-Independent Director	4	4	No	–	–	–	–
Mr. Mahesh Kumar Malpani (DIN 02603222)	Non-Executive-Independent Director	4	4	Yes	–	2	–	–

* Including directorship in Foreign Company.

Note : Mr. Pradip Manharlal Domadia was appointed as an additional director w.e.f. 30.05.2012.

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. Saurabh Mittal	Mr. Ramesh Kumar Haritwal	Mr. Pradip Manharlal Domadia
Father's Name	Mr. Shiv Prakash Mittal	Mr. Chandra Prakash Haritwal	Mr. Manharlal Amratlal Domadia
Date of Birth	6 October, 1975	1 September, 1963	25 July, 1952
Date of Appointment	2 January, 1996	31 May, 2007	30 May, 2012
Expertise in specific functional area	Mr. Saurabh Mittal is a commerce graduate possessing vast experience in managing operations across various status.	Mr. Ramesh Kumar Haritwal has vast experience in the Granite Industry. He also possesses knowledge in the area of finance, administration and marketing.	Mr. Pradip Manharlal Domadia has vast knowledge in the area of Corporate Governance and during his long professional career of 35 years he has handled various financial, auditing, accounting, company secretarial, taxation and legal matters.
Qualification	B.Com	B.Com	B.com, LLB, FCA & FCS
List of outside directorship held excluding alternate directorship	Greenply Industries Ltd. Greenply Leasing & Finance Ltd. Prime Properties Pvt. Ltd. Greenlam Asia Pacific Pte. Ltd. Greenlam America, Inc.	Nil	Nil
Chairman / Member of the Committee of the Board of Directors of the Company	<u>Chairman</u> : Nil <u>Member</u> : Nil	<u>Chairman</u> : Nil <u>Member</u> : Audit Committee	<u>Chairman</u> : Remuneration Committee <u>Member</u> : Nil
Chairman/Member of the Committee of the Board of Directors of other companies in which he is a director	<u>Chairman</u> : Nil <u>Member (Greenply Industries Ltd.):</u> Operational Committee Audit Committee Share Transfer & Investor Grievance Committee	<u>Chairman</u> : Nil <u>Member</u> : Nil	<u>Chairman</u> : Nil <u>Member</u> : Nil
Number of shares held in the company	10000 Equity shares	200 Equity shares	700 Equity Shares



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Disclosures of relationships between directors

Name of the Directors	Category of Directorship	Relationship between directors
Mr. Saurabh Mittal	Non-Executive Chairman-Promoter Director	None
Mr. Ramesh Kumar Haritwal	Managing Director & CEO	None
Mr. Beni Gopal Saraf	Non-Executive- Independent Director	None
Mr. Mahesh Kumar Malpani	Non-Executive- Independent Director	None
Mr. Pradip Manharlal Domadia	Non-Executive- Independent Director	None

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 executive non-promoter director.

Mr. Mahesh Kumar Malpani, Chairman

Mr. Beni Gopal Saraf, Member

Mr. Ramesh Kumar Haritwal, Member

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:

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- 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.
- 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, right issues, 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.
 - Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
 - 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



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- 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 2011-12, four meetings were held on 30 May 2011, 08 August 2011, 05 November 2011 and 02 February 2012. 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	Non-executive independent director	4	4
Mr. Ramesh Kumar Haritwal	Managing Director & CEO	4	4

5. Subsidiary Companies

The Company does not have any subsidiaries.

6. Remuneration Committee

A Remuneration Committee was constituted on 30 May, 2012.

Composition:

Mr. Pradip Manharlal Domadia, Chairman

Mr. Mahesh Kumar Malpani, Member

Mr. Beni Gopal Saraf, Member

All the above member directors are Non-executive Independent Directors

Terms of reference:

- To determine the Company's policy on the remuneration package for Executive Directors and any compensation payment.
- To discuss, approve the remuneration package of Executive Directors.

Meetings and attendance:

Remuneration Committee was formed on 30 May, 2012. Hence there was no meeting of the remuneration committee during 2011-12.

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.

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(I) Executive Director

The details of remuneration to Executive director for the year ended 31 March, 2012 is as follows and the same is within the ceiling prescribed within the applicable provisions of the Companies Act, 1956.

Name & Designation	Service Contracts/ 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	12,84,000	1,55,016

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

(II) Non-Executive Directors

The details of sitting fees payable to Non-executive Directors for the financial year 2011-12 are as follows:

Name	Service Contracts/ Notice Period	Sitting Fees Paid (₹)	No. of Shares held in the Company
Mr. Beni Gopal Saraf	Retire by rotation	2000/-	NIL
Mr. Saurabh Mittal	Retire by rotation	1000/-	10000
Mr. Mahesh Kumar Malpani	Retire by rotation	2000/-	NIL

7. Share Transfer and Investors' Grievance Committee

Composition:

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

Mr. Beni Gopal Saraf, Chairman

Mr. Mahesh Kumar Malpani, Member

Mr. Ramesh Kumar Haritwal, Managing Director & CEO of the Company designated as Compliance Officer. 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 and monitoring of shareholder complaints.

The table gives the number of complaints received, resolved and pending during the year 2011-12.

Number of complaints:

Received	Resolved	Pending
1	1	Nil



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During 2011-12, three meetings were held on 20 June 2011, 08 August 2011 and 02 March 2012 and the attendance of member Directors was as follows:

Name of the members	Category	No. of meetings held	No. of Meetings attended
Mr. Beni Gopal Saraf	Non-executive -independent director	3	3
Mr. Mahesh Kumar Malpani	Non-executive -independent director	3	3

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
31.03.2011	29.09.2011	Panchalam Village, Melpettai Post, Tindivanam, Tamilnadu – 604 307	1:00 P.M.
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.

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

- At the Twenty-third Annual General Meeting held on: 29 September, 2011: NIL
- 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

iii. No special resolution was passed through postal ballot during the last year. Also 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 exchange 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 2010-11 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.

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- f) 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 has constituted a Remuneration Committee w.e.f. 30 May, 2012.

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.

General Shareholder information

i. Date, time & venue of the Annual General Meeting	Friday, 28 September, 2012 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 2012-13 (tentative and subject to change) First quarter results: On or before 14 August, 2012 Second quarter and half year results: On or before 14 November, 2012 Third quarter results: On or before 14 February, 2013 Fourth quarter results and results for the year ending 31 March 2013: On or before 30 May, 2013.
iii. Book Closure Period	From 25 September, 2012 to 28 September, 2012 (both days inclusive)
iv. Listing of equity shares at stock exchange	BSE Limited (BSE), Floor 25, P.J.Towers, Dalal Street, Fort, Mumbai-400001
v. Stock code	BSE:513723



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vi. Market price data for the financial year 2011-12.

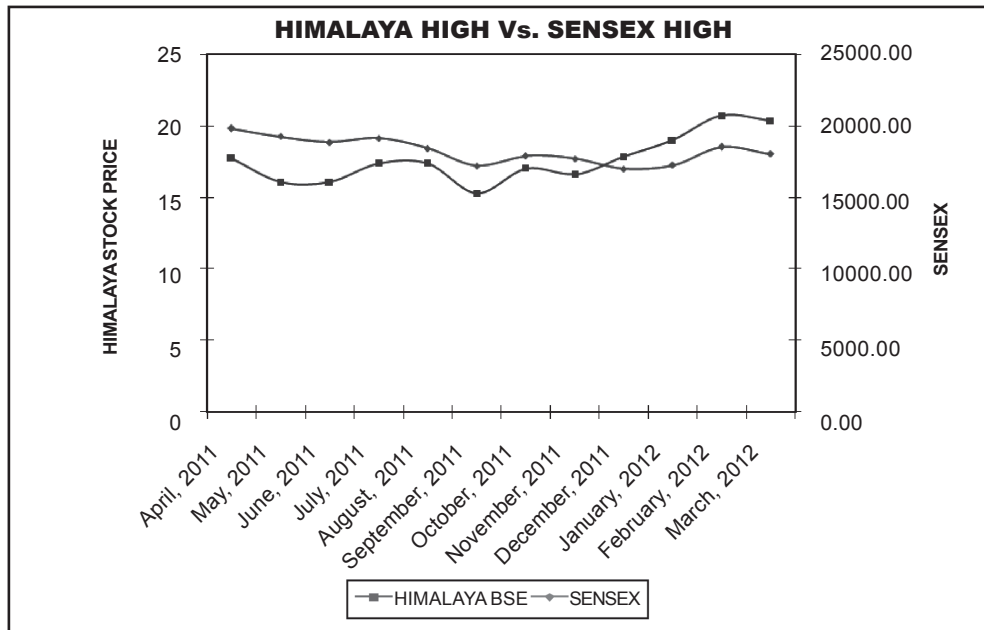
Month	At BSE	
	High (₹)	Low (₹)
April 2011	17.75	16.05
May 2011	Not available*	Not available*
June 2011	Not available*	Not available*
July 2011	17.85	16.85
August 2011	17.40	14.75
September 2011	15.28	12.51
October 2011	17.04	13.36
November 2011	16.62	14.00
December 2011	17.85	15.30
January 2012	19.00	16.90
February 2012	20.70	18.05
March 2012	20.35	17.80

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

vii. E-mail ID for Investors: investors@hgl.co.in

viii. Corporate Identity Number (CIN):L13206TN1987PLC015161

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



Note: The closing price of the shares for April, 2011 is taken in the graph for May and June, 2011 as there was no trading of shares of the Company at the Stock Exchange during May and June, 2011.

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- x. 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
- 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 2012

Equity shares held	Number of Shareholders	Percent of Shareholders	Number of Shares held	Percent of Shares held
1-500	1257	90.89	148324	4.94
501-1000	64	4.63	55548	1.85
1001-2000	24	1.74	38270	1.27
2001-3000	6	0.43	14769	0.48
3001-4000	2	0.14	6742	0.22
4001-5000	2	0.14	9500	0.32
5001-10000	7	0.51	49230	1.64
10001-50000	9	0.65	220791	7.35
50001-100000	3	0.22	193145	6.43
100001 & above	9	0.65	2268681	75.50
Total	1383	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 **97.05%** of total equity shares have been dematerialized as on 31 March, 2012.



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- xiv. Outstanding ADRs/GDRs : Not Applicable
- xv. Plant Location : Panchalam Village
Melpettai Post
Tindivanam-604 307
- xvi. Address for correspondence :
M/s. S.K. Infosolutions Pvt. Ltd.
34/1A, Sudhir Chatterjee Street
Kolkata – 700 006
Phone:(033)2219-4815 / 6797
Fax-(033) 2219-4815
Contact Person : Mr. Dilip Bhattacharya, Director
Email : agarwalskc@rediffmail.com

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

Place : Kolkata
Dated : 30 May, 2012

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, 2012.

Place : Kolkata

Dated : 30 May, 2012

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, 2012, 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 2010-11 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**

Place : Kolkata
Dated : 30th May 2012

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

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, 2012 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.

Ramesh Kumar Haritwal
Managing Director & CEO

Place: Kolkata
Date: 30 May, 2012

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, 2012, the Statement of Profit and Loss 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, Statement of Profit & Loss 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, Statement of Profit & Loss 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, 2012 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*

HIMALAYA GRANITES LIMITED



continue to remain close since 27-02-2008 and to the best of our information and belief, the 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, 2012; and
- (ii) in the case of the Statement of Profit & Loss, 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, 2012



HIMALAYA GRANITES LIMITED

ANNEXURE TO AUDIT REPORT

1. In respect of its Fixed Assets :
 - (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. In respect of its Inventories :
 - (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 4 (iii)(a) to (iii)(d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
 - (b) As informed to us, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act and as such clauses 4 (iii)(e) to (iii)(g) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
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;

HIMALAYA GRANITES LIMITED



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 (₹)	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. As the Company has not borrowed any funds from the Financial Institutions or Banks or Debenture Holders, the provision of the clause 4 (xi) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
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.

HIMALAYA GRANITES LIMITED



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, 2012



HIMALAYA GRANITES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2012

<u>EQUITY AND LIABILITIES :</u>	<u>NOTE NO.</u>	AS AT 31ST MARCH, 2012		AS AT 31ST MARCH, 2011	
		<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
Shareholders' Funds :					
Share Capital	1	30050000		30050000	
Reserves & Surplus	2	<u>64591367</u>		<u>66513335</u>	
			94641367		96563335
Non-current Liabilities :					
Deferred Tax Liabilities (Net)	3		4336298		5384083
Long Term Provisions	4		187206		607816
Current Liabilities :					
Short Term Borrowings	5		–		265489
Trade Payables	6		1498641		333593
Other Current Liabilities	7		759345		1463512
TOTAL :			<u>101422857</u>		<u>104617828</u>
<u>ASSETS :</u>					
Non-Current Assets :					
Fixed Assets :					
Tangible Assets	8		38691373		43776216
Investments :	9		–		17000000
Current Assets :					
Inventories	10	1335176		1712580	
Trade Receivables	11	10489101		21004830	
Cash & Bank Balances	12	8972350		5037883	
Short Term Loans & Advances	13	<u>41934857</u>		<u>16086319</u>	
			62731484		43841612
TOTAL :			<u>101422857</u>		<u>104617828</u>

Significant Accounting Policies
Notes on Financial Statements 1 to 25
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, 2012

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

Ramesh Kumar Haritwal
Managing Director & CEO

HIMALAYA GRANITES LIMITED



STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2012

	NOTE NO.	FOR THE YEAR ENDED			
		31ST MARCH, 2012		31ST MARCH, 2011	
		₹	₹	₹	₹
INCOME :					
Revenue Form Operations	14		315429		356730
Other Income	15		5692134		878919
Total Revenue			<u>6007563</u>		<u>1235649</u>
EXPENDITURE:					
Cost of Materials Sold	16		—		126508
Changes in Inventories of Finished Goods, Stock in Process and Stock in Trade	17		377404		298855
Employees Benefits Expense	18		2814234		3651355
Finance Costs			—		1562
Depreciation & Amortization Expense			2828652		3051259
Other Expenses	19		2957026		4145765
Total Expenditure			<u>8977316</u>		<u>11275304</u>
Profit/(Loss) Before Tax			(2969753)		(10039655)
Tax Expense					
Current Tax	24	—		—	
Deferred Tax		<u>1047785</u>		<u>1187686</u>	
			<u>1047785</u>		<u>1187686</u>
Profit/(Loss) for the Year			(1921968)		(8851969)
Earnings per Equity Share of face value of ₹ 10 each					
Basic & Diluted (in ₹)	25		(0.64)		(2.95)

Significant Accounting Policies

Notes on Financial Statements 1 to 25

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, 2012

(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, 2012

	FOR THE YEAR ENDED 31ST MARCH, 2012		FOR THE YEAR ENDED 31ST MARCH, 2011	
	₹	₹	₹	₹
A. CASH FLOW ARISING FROM OPERATING ACTIVITIES:				
Net Profit before Tax and Extraordinary items		(2969753)		(10039655)
Add: a) Depreciation	2828652		3051259	
b) Interest	–		1562	
c) Loss on Sale of Fixed Assets	–		1131805	
d) Gratuity	389530		–	
		<u>3218182</u>		<u>4184626</u>
		248429		(5855029)
Less: a) Interest Income	642733		133071	
b) Profit on Sale of Fixed Assets	847675	<u>1490408</u>	–	<u>133071</u>
Operating Profit before Working Capital Changes		(1241979)		(5988100)
Less: a) Increase in Trade and Other Receivables	15332809		(5137954)	
b) Decrease in Inventories	(377404)		(425363)	
c) Decrease in Trade Payables	<u>(460881)</u>	<u>14494524</u>	<u>224043</u>	<u>(5339274)</u>
Cash Inflow (+)/Outflow (-) from Operations		(15736503)		(648826)
Add/Less: a) Interest Paid	–		1562	
b) Gratuity Paid	810140		540906	
c) Income Tax Paid/refund received (-)	–	<u>810140</u>	–	<u>542468</u>
Net Cash Inflow (+)/Outflow (-) in course of Operating Activities		<u>(16546643)</u>		<u>(1191294)</u>
B. CASH FLOW ARISING FROM INVESTING ACTIVITIES:				
INFLOW				
a) Sale of Fixed Assets	3103866		1655000	
b) Sale of Investments	17000000		–	
c) Interest Received	<u>642733</u>	<u>20746599</u>	<u>133071</u>	<u>1788071</u>
Net Cash Inflow (+) / Outflow (-) in course of Investing Activities		<u>20746599</u>		<u>1788071</u>

HIMALAYA GRANITES LIMITED



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	FOR THE YEAR ENDED 31ST MARCH, 2012		FOR THE YEAR ENDED 31ST MARCH, 2011	
	₹	₹	₹	₹
C. CASH FLOW ARISING FROM FINANCING ACTIVITIES:				
INFLOW				
a) Borrowings (Repayment of Borrowings)	<u>(265489)</u>	<u>(265489)</u>	<u>265489</u>	<u>265489</u>
Net Cash Outflow/(Inflow) in course of Financing Activities		<u>265489</u>		<u>(265489)</u>
Net Increase/ (Decrease) in Cash/Cash Equivalents (A+B+C)		3934467		862266
ADD : Balance at the beginning of the year		5037883		4175617
Cash / Cash Equivalents at the close of the Year		<u>8972350</u>		<u>5037883</u>

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 : Kolkata
Dated : 30th May, 2012

Saurabh Mittal
Non-Executive Chairman

Ramesh Kumar Haritwal
Managing Director & CEO



HIMALAYA GRANITES LIMITED

SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONCEPTS & BASIS OF PRESENTATION

i. Basis of preparation of Financial Statements :

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.

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.

HIMALAYA GRANITES LIMITED



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.
- 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.



HIMALAYA GRANITES LIMITED

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

	AS AT 31ST MARCH 2012		AS AT 31ST MARCH 2011	
	₹		₹	
	<u>Number</u>		<u>Number</u>	
1. SHARE CAPITAL :				
1.1 Authorised				
Equity Shares of ₹ 10 each	4000000	<u>40000000</u>	4000000	<u>40000000</u>
1.2 Issued, Subscribed And Fully Paid up :				
Equity Shares of ₹ 10 each	3005000	<u>30050000</u>	3005000	<u>30050000</u>
1.3 There is no change in number of shares outstanding and so, no reconciliation is given				
1.4 Name of The Shareholders holding more than 5% Shares				
	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>
Equity Shares				
Rajesh Mittal	621250	20.67%	621250	20.67%
Greenply Industries Ltd.	380583	12.66%	380583	12.66%
S.M.Management Pvt. Ltd.	214117	7.13%	214117	7.13%
Spark Securities Private Limited			213778	7.11%
Santosh Mittal, Karuna Mittal & Rajesh Mittal on Behalf of Trade Combines, Partnership Firm			312400	10.40%
Saurabh Mittal & Shobhan Mittal on Behalf of Trade Combines, Partnership Firm	312400	10.40%		
Anirudha Bubna Trust	398091	13.25%		
2. RESERVES & SURPLUS :				
Capital Reserve				
As per last Balance Sheet		1500000		1500000
Securities Premium Account				
As per last Balance Sheet		20000000		20000000
General Reserve				
As per last Balance Sheet		63094248		63094248
Surplus				
Loss as per last Balance Sheet		(18080913)		(9228944)
Add : Net Loss for the year		<u>(1921968)</u>	<u>(20002881)</u>	<u>(8851969)</u>
TOTAL		<u>64591367</u>		<u>66513335</u>

HIMALAYA GRANITES LIMITED



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

	AS AT 31ST MARCH 2012	AS AT 31ST MARCH 2011
	₹	₹
3. LONG TERM PROVISIONS :		
Provisions for Employee Benefits (unfunded)		
For Gratuity	187206	607816
4. DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
Depreciation	4397037	5581289
Deferred Tax Assets		
Provision for Gratuity / Others	60739	197206
Deferred Tax Liabilities (Net)	<u>4336298</u>	<u>5384083</u>
5. SHORT TERM BORROWINGS :		
Unsecured		
from Others		
Rupee Loans	–	265489
6. TRADE PAYABLES :		
Sundry Creditors for Goods, Expenses etc	1498641	333593
7. OTHER CURRENT LIABILITIES :		
Unclaimed Dividends	139400	206932
For Expenses	525549	1159810
Statutory Dues	94396	96770
Total	<u>759345</u>	<u>1463512</u>
7.1 Amount due and outstanding to be credited to the Investor Education and Protection Fund Nil (Previous Year Nil)		



HIMALAYA GRANITES LIMITED

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

Note — '8' : FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	COST AS AT 01/04/2011 ₹	ADDITION DURING THE YEAR ₹	DEDUCTIONS DURING THE YEAR ₹	COST AS AT 31/3/2012 ₹	UPTO 31/03/2011 ₹	FOR THE YEAR ₹	ADJUST- MENT ₹	UPTO 31/03/2012 ₹	AS AT 31/03/2011 ₹	AS AT 31/03/2012 ₹
OWN ASSETS										
Tangible Assets										
Land & Developments	1132849	-	-	1132849	-	-	-	-	1132849	1132849
Building (Factory)	33711409	-	-	33711409	16785680	1125960	-	17911640	15799769	16925729
Building (Others)	13619568	-	-	13619568	2621603	222001	-	2843604	10775964	10997965
Plant & Equipments	56377949	-	15722602	40655347	45464721	785432	13782929	32467224	8188123	10913228
Vehicles	4884493	-	-	4884493	2793790	455783	-	3249573	1634920	2090703
Electrical Fittings	6608650	-	6330398	278252	6174557	13217	6013880	173894	104358	434093
Furniture & Fittings	3280864	-	-	3280864	2556884	139956	-	26966840	584024	723980
Office Equipments	2196220	-	-	2196220	1638551	86303	-	1724854	471366	557669
Total	121812002	-	22053000	99759002	78035786	2828652	19796809	61067629	38691373	43776216
Previous Year's Total	159277418	-	37465416	121812002	109663138	3051259	34678611	78035786	43776216	-

HIMALAYA GRANITES LIMITED



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

	AS AT 31ST MARCH 2012		AS AT 31ST MARCH 2011	
	₹		₹	
9. INVESTMENTS :				
Investments in Equity Instruments (at Cost) Other Than Trade Unquoted, Fully Paid Up				
	Number		Number	
Avinash Mercantile (P) Ltd. - Equity Shares of ₹ 10 each	-	-	60000	3000000
Ekta Nivesh (P) Ltd. - Equity Shares of ₹ 10 each	-	-	50000	2500000
Hanuman Trading & Feeds (P) Ltd - Equity Shares of ₹ 10 each	-	-	30000	3000000
Harvard Trading (P) Ltd. - Equity Shares of ₹ 10 each	-	-	40000	4000000
Laxminarayan Vyapaar (P) Ltd. - Equity Shares of ₹ 10 each	-	-	100000	2500000
Usha Polychem (I) (P) Ltd. - Equity Shares of ₹10 each	-	-	20000	2000000
Total		-		<u>17000000</u>
Aggregate amount of Quoted Investments		-		-
Aggregate amount of Unquoted Investments		-		<u>17000000</u>
Total		-		<u>17000000</u>
10. INVENTORIES :				
Consumables (lower of cost or net realisable value)		102893		102893
Finished Goods (lower of cost or net realisable value)		402304		402304
Stock in Process (at cost)		829979		1207383
		<u>1335176</u>		<u>1712580</u>
11. TRADE RECEIVABLES:				
a. Outstanding for a period exceeding six months from due date		<u>10489101</u>		<u>21004830</u>
b. Secured, considered good		-		-
Unsecured, considered good		10489101		21004830
Total		<u>10489101</u>		<u>21004830</u>



HIMALAYA GRANITES LIMITED

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

	AS AT 31ST MARCH 2012	AS AT 31ST MARCH 2011
	₹	₹
12. CASH & BANK BALANCES :		
a. Cash & Cash Equivalents		
Balances with Banks	3306265	515566
Balances with Banks - unpaid dividend	139400	206820
Cash in Hand	4016624	4117144
	<u>7462289</u>	<u>4839530</u>
b. Other Bank Balances		
Term Deposits with Banks		
Maturity within 12 months	1510061	198353
Total	<u>8972350</u>	<u>5037883</u>
13. SHORT TERM LOANS & ADVANCES:		
Unsecured, Considered good		
Advances to Staff & workers	844663	635572
Advances against Purchases	5671162	5693260
Other Receivables	25946767	–
Prepaid expenses	1209400	1307198
Security Deposits	671583	1008787
Advance Payment of Income Tax (Less Provision)	7397321	7247541
Service Tax Refund Receivable	193961	193961
Total	<u>41934857</u>	<u>16086319</u>
14. REVENUE FROM OPERATIONS :		
Sale of Products	<u>315429</u>	<u>356730</u>

HIMALAYA GRANITES LIMITED



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

	AS AT 31ST MARCH 2012 ₹	AS AT 31ST MARCH 2011 ₹
15. OTHER INCOME :		
Interest Received	642733	133071
Rent Received	4200000	700000
Miscellaneous income	1726	-
Profit on Sale of Fixed Assets	847675	-
Provision for Gratuity Written back	-	45848
	5692134	878919
16. COST OF MATERIALS SOLD :		
Opening Stock	-	-
Less : Closing Stock	-	-
Cost of Raw Materials sold during the year	-	-
Add : Cost of Spares sold during the year	-	126508
Cost of Materials sold during the year	-	126508
17. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS AND STOCK IN TRADE		
OPENING STOCK		
Finished Goods	402304	402304
Goods under Process	1207383	1506238
	1609687	1908542
CLOSING STOCK		
Finished Goods	402304	402304
Goods under Process	829979	1207383
	1232283	1609687
Total	377404	298855



HIMALAYA GRANITES LIMITED

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
	₹	₹
18. EMPLOYEES BENEFITS EXPENSE		
Salary, Wages & Bonus	2229733	3436704
Contribution to Provident & Other Funds	150549	171217
Employees' Welfare Expenses (including Workmens' compensation)	44422	43434
Gratuity	389530	—
	<u>2814234</u>	<u>3651355</u>

18.1 DISCLOSURES REGARDING EMPLOYEE BENEFITS

Defined Contribution Plan: Employee benefits in the form of Provident Fund and ESIC are considered as defined contribution plan and the contributions to Employees' Provident Fund Organisation established under The Employees' Provident Fund and Miscellaneous Provisions Act 1952 and Employees' State Insurance Act, 1948, respectively, are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.

Defined Benefit Plan: Retirement benefits in the form of Gratuity are considered as defined benefit obligations and are 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. Defined Benefit Obligation at the year end amounted to ₹ 187206 (previous year ₹ 607816).

Actuarial assumptions:

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
	₹	₹
Mortality Table (LIC)	LIC 1994-1996	LIC 1994-1996
Discount Rate (per annum)	8	8
Expected rate of return on plan assets (per annum)	-	-
Rate of escalation in salary (per annum)	5	5

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

The above information is certified by the actuary.

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).

HIMALAYA GRANITES LIMITED



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
	₹	₹
19. OTHER EXPENSES:		
Rent	292500	296700
Rates & Taxes	147610	166857
Insurance Charges	545798	74533
Telephone Expenses	59029	74965
Travelling Expenses (including Foreign Travel)	111476	163036
Vehicle Expenses	268216	400143
Directors' Sitting Fees	5000	8000
Bank Charges	18319	23366
Auditors' Remuneration	102677	106994
Loss on Sale of Fixed Assets	-	1131805
Miscellaneous Expenses	1406401	1699366
	<u>2957026</u>	<u>4145765</u>
19.1 AUDITORS' REMUNERATION:		
Statutory Audit Fees	95506	93755
Certification Fees	7171	13239
	<u>102677</u>	<u>106994</u>

20. CONTINGENT LIABILITIES AND COMMITMENTS

20.1 Contingent liabilities

- Counter guarantees given to the banker /others in respect of the others guarantees given by them, for removal of excisable goods/customs duty ₹ Nil (Previous Year ₹ 15000000)
- Disputed Demand of Income Tax in Appeal ₹ 7637154 (Previous Year ₹ 7637154)

21. INFORMATION REGARDING MICRO, SMALL AND MEDIUM ENTERPRISES

As at 31st March, 2012, no supplier has intimated the Company about its status as Micro or Small enterprises or its registration with the appropriate authority under Micro, Small and Medium Enterprises Act, 2006. So, no disclosure is made. The Company has compiled this information based on the current information in its possession.



HIMALAYA GRANITES LIMITED

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

22. 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

23. RELATED PARTY (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

- i) Greenply Industries Ltd.
- ii) Sri Ramesh Kumar Haritwal, Managing Director & CEO
- iii) Sri Saurabh Mittal, Non - Executive Chairman

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	
	31.03.2012	31.03.2011
	₹	₹
Rent Received	4200000	700000
Managerial Remuneration & meeting fees	1440016	1439016

24. CURRENT TAX

In view of loss for the current year, no provision is made for Income Tax

HIMALAYA GRANITES LIMITED



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

	<u>For the year ended</u> 31st March, 2012	<u>For the year ended</u> 31st March, 2011
25. EARNINGS PER SHARE		
Calculation of weighted average number of equity shares of ₹ 10 each		
No of Shares at the beginning of the year	3005000	3005000
Total no. of equity shares outstanding at the end of the year	3005000	3005000
Weighted average number of equity shares outstanding during the year	3005000	3005000
Net Profit (after tax, available for equity shareholders)	₹ (1921968)	(8851969)
BASIC & DILUTED EARNINGS PER SHARE	₹ (0.64)	(2.95)

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, 2012

(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

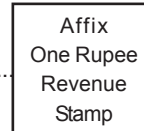
Regd. Folio No.	
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I/We..... of..... in the district of
..... being member(s) of **HIMALAYA GRANITES LIMITED**, hereby appoint
..... of.....
in the District ofor failing him/her of
..... in the district ofas my/our proxy
to attend and vote for me / us and on my / our behalf at the 24th Annual General Meeting of the Company to be held on Friday, 28 September, 2012 and at any adjournment thereof.

Signed this..... day of2012.

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 24th 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
2011-2012**

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