

ANNUAL REPORT 2003-2004

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HIMALAYA GRANITES LIMITED

HIMALAYA GRANITES LIMITED**BOARD OF DIRECTORS**

Shiv Prakash Mittal, Chairman cum Managing Director
 Rajesh Mittal
 Saurabh Mittal
 Ashok Sharma
 Smt. Janaki Venkatramani
 Sudhir Kumar Jena

SHARE TRANSFER & INVESTORS
GRIEVANCE COMMITTEE

Rajesh Mittal
 Saurabh Mittal
 Smt. Janaki Venkatramani

REMUNERATION COMMITTEE

Smt. Janaki Venkatramani
 Ashok Sharma
 Sudhir Kumar Jena

AUDIT COMMITTEE

Smt. Janaki Venkatramani, Chairperson
 Rajesh Mittal
 Ashok Sharma

AUDITORS

D. Dhandaria & Co.,
 Thana Road, Tinsukia, Assam

BANKERS

State Bank of India

REGISTERED OFFICE

70, Sriman Srinivasa
 1st Cross Road
 Alwarpet
 Chennai-600 018

FACTORY

Panchalam Village
 Opp to Ponds India Ltd.
 Melpettai Post
 Tindivanam-604 307



HIMALAYA GRANITES LIMITED

NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Members of the Company will be held on Wednesday, 22nd day of September, 2004 at the Registered Office of the Company at 70 No., Sriman Srinivasa, 1st Cross Road, Near Venus Colony, Alwarpet, Chennai - 600 018 at 11:00 A.M. to transact the following business:

Ordinary Business :

- 1) To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2004 together with Directors' Report and Auditors' Report thereon.
- 2) To declare a dividend.
- 3) To appoint a director in place of Shri Saurabh Mittal, who retires by rotation and being eligible, offer himself for re-appointment.
- 4) To appoint a director in place of Sri Sudhir Kumar Jena, who retires by rotation and being eligible, offer himself for re-appointment.
- 5) To appoint auditors and fix their remuneration and in this connection, to consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution :

"RESOLVED THAT M/s D. Dhandaria & Co., Chartered Accountants, the retiring auditor 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 :

- 6) To consider and if thought fit, to pass, with or without modification(s) the following resolution as an ordinary resolution :

"RESOLVED THAT Shri Ashok Sharma, who holds office as a Director upto the date of Annual General Meeting by reason of Section 260 of the Companies Act, 1956 and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member of the Company together with a deposit of Rs 500/- pursuant to section 257 of the Act, proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company."

- 7) 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, 310, 311 and all other applicable provisions of the Companies Act, 1956 (hereinafter referred to as "the act"), read with Schedule XIII of the Act, consent of the Company be and is hereby accorded for revision in remuneration package of Sri Shiv Prakash Mittal, Chairman cum Managing Director of the Company with effect from 1.11.2003 on the terms and conditions, as set out in the Explanatory Statement annexed hereto."

By Order of the Board
for Himalaya Granites Limited

S. P. Mittal
Chairman cum Managing Director

Place : Kolkata
Dated : 10th June, 2004

HIMALAYA GRANITES LIMITED**NOTES :**

1. An Explanatory Statement, pursuant to section 173(2) of the Companies Act, 1956 in respect of special business 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 received by the company at its Registered office not less than 48 hours before the time of the meeting.
3. Members holding share in dematerialised form are requested to bring their Depository Account Number and Client I.D No. for identification.
4. The Register of Members and Share transfer books of the company will remain closed from 18th September, 2004 to 22nd September, 2004 (both days inclusive) for determination of name of shareholders who will be eligible for dividend on equity shares which may be declared at the meeting and the dividend so declared will be paid to those members whose names appear on the register of members of the Company on 22nd September, 2004. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details to be taken from the National Securities Depository Ltd. and Central Depository Services (India) Ltd.
5. Queries on accounts and operation 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.
6. Members are requested to promptly notify any change in their address to the Share Transfer Agent i.e., M/s. S. K. Computers, 34/1A, Sudhir Chatterjee Street, Near Girish Park Metro Station, Kolkata-700 006, Phone : 033-2219-4815.
7. Shareholders are requested to bring their copies of Annual Report to the Meeting.
8. Further to a special resolution passed at the fifteenth Annual General Meeting held on 19.09.2003 in connection with delisting of the Company's equity shares from the Calcutta Stock Exchange Association Ltd. and the Madras stock Exchange Ltd., please be informed that the Madras Stock Exchange Ltd. has delisted the equity shares of the Company w.e.f. 05.05.2004. The equity shares continued to be listed on the Stock Exchange, Mumbai only. At present, the shares of the Company are listed on Stock Exchanges at Calcutta and Mumbai Stock Exchanges and listing fee for the year 2004-05 has been paid to only Mumbai Stock Exchange.
9. With a view to provide protection against fraudulent encashment of dividend warrants, shareholders were requested by company to provide their bank account number, name and address of the Bank branch to enable the company to incorporate the said details on the dividend warrants. A large number of shareholders have not yet provided the details. The Company once again request you to provide such detail quoting their folio no. to the Share Transfer agent of the Company.
10. Members holding shares in electronic form may please note that their bank details as furnished by the respective depositories to the company will be printed on their dividend warrants as per the applicable regulations of the Depositories. Further, instructions if any, already given by them in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares in electronic form.
11. Pursuant to the provisions of the Companies Act, 1956, final dividend for the financial year ended 31.03.1997 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 the section



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205C of the Companies Act, 1956. Please be informed that the due month for transferring the unclaimed final dividend for the financial year ended 31.03.1997 to Investor Education and Protection Fund is November 2004. Shareholders, who have not yet encashed their dividend warrants for the financial year ended 31st March, 1997 and any subsequent financial years are requested to make their claim to the Company's Share Transfer Agent immediately.

12. Pursuant to provisions contained in section 205A and 205C of the Companies Act, 1956, the Company, has transferred final dividend and the interim dividend for the financial year ended 31.03.1996 remaining unclaimed for a period of seven years from the date of it first become due for payment to the Investor Education and Protection Fund constituted by the Central Government and 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.

13. Appointment/Re-appointment of Directors :

At the ensuing Annual General Meeting Shri Saurabh Mittal and Shri Sudhir Kumar Jena retire by rotation and being eligible, offer themselves for re-appointment. Further during the year Shri Ashok Sharma has been appointed as an Additional director of the Company. Pursuant to clause 49 of the Listing Agreement relating to the code of Corporate Governance, the particulars of the aforesaid directors are furnished in the Corporate Governance Report annexed to this Annual Report.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 6

The Board of Directors of the Company in their meeting held on 30th October, 2003 appointed Shri Ashok Sharma as an Additional Director of the Company under Article 135 of the Articles of Association of the Company. The Additional Director holds office only until the ensuing Annual General Meeting of the Company and is eligible for appointment. The Board considers that the Company will benefit from the association of Shri Ashok Sharma, and recommends the resolution for your approval.

None of the Directors of the Company are concerned or interested in this resolution. Shri Ashok Sharma may, however, be deemed to be concerned or interested in this resolution and his appointment.

Item No. 7

Salary & Perquisites :

At a meeting of the Remuneration Committee of the Board of directors of the Company held on 28.10.2003, the Committee members revised the remuneration package of Sri Shiv Prakash Mittal, Chairman cum Managing Director of the Company with effect from 1.11.2003 on the terms and condition as mentioned below.

He shall be entitled to the following remuneration and perquisites:

Remuneration

- i) Salary Rs. 80,000/- per month w.e.f 01.11.2003 with such increments as may be decided by the Board includes its Committee, from time to time, subject to a maximum Salary of Rs. 1,00,000/- per month.
- ii) Free furnished accommodation with gas, electricity, water, furnishing, servant etc.
- iii) Reimbursement of medical expenses incurred in India or abroad and including hospitalisation, nursing home and surgical charges for himself and family subject to ceiling of two month's salary in a year.

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- iv) Reimbursements of actual travelling expenses for proceeding on leave with family to anywhere in India or abroad as per rules of the Company.
- v) Reimbursement of membership fees for a maximum of two clubs.
- Vi) Personal accidents and Mediclaim Insurance Policy, Premium not to exceed Rs. 80,000/- per annum.
- Vii) 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 (including payment of Local call) shall not be treated as perquisites.
- Viii) Other benefits like Gratuity, Provident Fund, Leave etc as applicable to the employees of the Company.

He will not receive sitting fee for attending meeting of the directors or any committee thereof. The appointment may be terminated by either party by giving three month's notice or salary in lieu thereof or by mutual consent.

Except Sri Saurabh Mittal, Sri Rajesh Mittal, being relatives and Sri Shiv Prakash Mittal, no other Director is interested or concerned in the aforesaid resolution.

The Board recommends passing of the subject resolution.

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

S. P. Mittal
Chairman cum Managing Director

Place: Kolkata
Dated: 10th June, 2004

Registered Office :
70, Sriman Srinivasa
1st Cross Road
Near Venus Colony
Alwarpet
Chennai - 600 018



HIMALAYA GRANITES LIMITED

DIRECTORS' REPORT

Your Directors are pleased to present the Sixteenth Annual Report together with the Audited Accounts of your company for the year ended 31st March, 2004.

FINANCIAL RESULTS :

| | <u>2003-2004</u> | <u>(Rs. in Lacs)</u> <u>2002-2003</u> |
|--|------------------|--|
| Net Sales | 2145.07 | 1,970.13 |
| Profit before Interest & Depreciation | 234.23 | 255.89 |
| Less : | | |
| a) Interest | 93.41 | 104.31 |
| b) Depreciation | 124.70 | 125.94 |
| Profit Before Tax | 16.12 | 25.64 |
| Provision for Tax | | |
| Current | 10.00 | — |
| Deferred-release | (13.03) | (6.48) |
| Profit After Taxation | 19.16 | 19.16 |
| Balance Brought Forward from earlier years | 361.68 | 366.08 |
| Amount available for appropriation | 380.83 | 385.24 |
| APPROPRIATION: | | |
| Proposed Dividend | 12.02 | 12.02 |
| Tax on Dividends | 1.54 | 1.54 |
| Transfer to General Reserve | 10.00 | 10.00 |
| Balance carried to Balance Sheet | 357.27 | 361.68 |

REVIEW OF OPERATIONS :

The sales turnover was Rs.21.45 Crores as against Rs.19.70 Crores in the previous year. The Company is taking various steps to enhance performance and profitability. Your directors are confident of achieving higher turnover and profit in times to come.

FUTURE OUTLOOK :

During the year your directors expect better exports of monuments and Dimensional Granites Blocks. Further the Company is also taking adequate measures for controlling the cost and expenses. During the year under review your Company has further increased its market share through market focus initiatives and closure interface with key customers.

DIVIDEND :

Your Directors have recommended a dividend @ 4% on equity shares for the financial year 2003-2004. The dividend is tax free in the hands of Shareholders.

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DIRECTORS :

Shri Saurabh Mittal and Shri Sudhir Kumar Jena, are the directors liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Shri Raj Kumar Loyalka has resigned from the Office of Directors of the Company. Your Board has taken on record its deep appreciation of the very considerable services rendered by Shri Raj Kumar Loyalka during his association with your Company.

Shri Ashok Sharma was inducted in the Board as an additional Director.

AUDITORS AND THEIR REPORT :

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

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

DIRECTORS' RESPONSIBILITY STATEMENT :

As required under section 217(2AA) of the Companies Act, 1956, the Directors hereby confirmed that:

- 1) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 2) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- 3) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- 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 :

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

MANAGEMENT ANALYSIS AND DISCUSSION REPORT :

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



HIMALAYA GRANITES LIMITED

PARTICULARS u/s. 217 OF THE COMPANIES ACT, 1956

1) 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.

2) ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE :

The particulars regarding Conservation of energy, Technology absorption, Foreign Exchange earnings and Outgo as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 are annexed hereto and form part of this report.

ACKNOWLEDGEMENT :

Your Directors take this opportunity to express their grateful appreciation for the excellent support and co-operation received from the Financial Institutions, Bank, Government of India, State Governments, Vendors and Valued Customers. Your directors also thank all the employees of the Company for their devoted service during the year.



By Order of the Board
for Himalaya Granites Limited

Place : Kolkata
Dated : 10th June, 2004

S. P. Mittal
Chairman cum Managing Director

HIMALAYA GRANITES LIMITED**Annexure to the Directors' Report**

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

A. CONSERVATION OF ENERGY :**Energy Conservation measures taken**

The Company is taking adequate steps for conservation of energy :

| | <u>2003-2004</u> | <u>2002-2003</u> |
|---|------------------|------------------|
| I. POWER & FUEL CONSUMPTION | | |
| ELECTRICITY | | |
| Purchased : | | |
| Units | 13,46,584 | 12,79,156 |
| Total Amount (Rs.) | 61,81,729 | 57,66,320 |
| Rate per Unit (Rs.) | 4.59 | 4.51 |
| 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 | 121.50 | 112.85 |
| b) Dimensional Granite Blocks | N. A. | N. A. |

B. TECHNOLOGY ABSORPTION:

The Company has hardly any activity relating to Research & Development and Technology Absorption, Adoption & Innovation.

C. FOREIGN EXCHANGE EARNINGS & OUTGO:

| | <u>2003-2004</u> | <u>2002-2003</u> |
|---------------------------------|---------------------|---------------------|
| Earnings and outgo : | (Rs.in Lacs) | (Rs.in Lacs) |
| Earnings (FOB Value of Exports) | 1828.10 | 1674.90 |
| Outgo on account of : | | |
| a) Raw-Materials & Consumables | 138.86 | 127.98 |
| b) Capital Goods | 0.00 | 0.00 |
| c) Travelling | 6.78 | 4.22 |
| d) Others | 12.85 | 5.43 |
| TOTAL | 158.49 | 137.63 |

By Order of the Board
for Himalaya Granites Limited

S. P. Mittal

Chairman cum Managing Director

Place : Kolkata

Dated : 10th June, 2004