

ANNUAL REPORT 2006-2007



HIMALAYA GRANITES LIMITED

HIMALAYA GRANITES LIMITED



BOARD OF DIRECTORS

Mr. Shiv Prakash Mittal, Chairman

Mr. Ramesh Kumar Haritwal, Managing Director & CEO (Appointed w.e.f. 01.06.2007)

Mr. Saurabh Mittal

Mr. Rajesh Mittal (Reigned w.e.f.31.05.2007)

Mr. Ashok Kumar Sharma

Ms. Janaki Venkatramani

Mr. Beni Gopal Saraf

SHARE TRANSFER &

INVESTORS GRIEVANCE COMMITTEE

Mr. Saurabh Mittal

Mr. Ashok Kumar Sharma (W.e.f. 31.05.2007)

Ms. Janaki Venkatramani

Mr. Beni Gopal Saraf (W.e.f. 31.05.2007)

Mr. Rajesh Mittal (up to 31.05.2007)

REMUNERATION COMMITTEE

Ms. Janaki Venkatramani

Mr. Ashok Kumar Sharma

Mr. Beni Gopal Saraf

AUDIT COMMITTEE

Ms. Janaki Venkatramani, Chairperson

Mr. Saurabh Mittal (w.e.f. 31.05.2007)

Mr. Ashok Kumar Sharma

Mr. Rajesh Mittal (up to 31.05.2007)

BANKERS

Union Bank of India

AUDITORS

M/s. D. Dhandaria & Company

Thana Road, Tinsukia, Assam

CHIEF FINANCIAL OFFICER

Mr. Mahendra Kumar Jain

COMPANY SECRETARY

Mr. Pawan Kumar Thakur

REGISTERED OFFICE

New No.29, Old No.12

No.3-B, Riyaz Garden

Kodambakkam High Road, Nungambakkam

Chennai-600 034

FACTORY

Panchalam Village

Opp to Ponds India Ltd.

Melpettai Post

Tindivanam-604 307



HIMALAYA GRANITES LIMITED

NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Members of the Company will be held on Thursday, 27 September, 2007 at the Registered Office of the Company at New No. 29, Old No. 12, No. 3-B, Riyaz Garden, Kodambakkam High Road, Nungambakkam, Chennai - 600 034 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 31 March, 2007 together with Directors' Report and Auditors' Report thereon.
- 2) To declare a dividend for the year ended 31 March, 2007.
- 3) To appoint a director in place of Mr. Beni Gopal Saraf, who retires by rotation and being eligible, offer himself for re-appointment.
- 4) To appoint a director in place of Ms. Janaki Venkatramani who retires by rotation and being eligible, offer herself 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 (s) the following resolution as an **ordinary resolution**:

"RESOLVED THAT M/s. D. Dhandaria & Company, 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 Mr. Ramesh Kumar Haritwal, who holds office as an Additional Director up to 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 as 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, 309, 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 including any amendment and re-enactment thereof consent of the Company be and is hereby accorded for the appointment of Mr. Ramesh Kumar Haritwal as a Managing Director & CEO of the Company for a period of 5 (five) years with effect from 1st June, 2007 to 31st May, 2012 on the terms and conditions as set out in Explanatory Statement annexed hereto."

By Order of the Board

P. K. Thakur

Company Secretary

Place : Kolkata

Dated : 29 June, 2007

Registered Office :

New No.29, Old No.12

No.3-B, Riyaz Garden

Kodambakkam High Road

Nungambakkam

Chennai-600 034

HIMALAYA GRANITES LIMITED**NOTES :**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company. Proxies in order to be effective, must be received by the company at its Registered office not less than 48 hours before the time of the meeting.
2. 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.
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 24 September, 2007 to 27 September, 2007 (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 27 September, 2007. 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. In the fifteenth Annual General Meeting held on 19 September, 2003 the Company passed required resolution for voluntary de-listing of the Company's Equity Shares from the Madras Stock Exchange Ltd. and the Calcutta Stock Exchange Association Ltd. and pursuant thereto, the Madras Stock Exchange Ltd. has delisted the equity shares of the Company with effect from 5 May, 2004. Further, the Calcutta Stock Exchange Association Ltd. has delisted the equity shares of the Company with effect from 25 July, 2006. In respect of other Stock Exchange, viz. Bombay Stock Exchange Ltd. (BSE) the Company continues to be listed with them and has paid the listing fee due to them for the 2007-8.
9. With a view to provide protection against fraudulent encashment of dividend warrants, shareholders were requested by the company to provide their bank account numbers, names and addresses of the Bank branch to enable the company to incorporate the said details on the dividend warrants. The Company once again request you to provide such details quoting their folio numbers 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.



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11. Pursuant to the provisions of the Companies Act, 1956, the final dividend for the financial year ended 31.03.2000 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 205C of the Companies Act, 1956. Please be informed that the due month for transferring the unclaimed final dividend for the financial year ended 31.03.2000 to Investor Education and Protection Fund is November, 2007. Shareholders, who have not yet encashed their dividend warrants for the financial year ended 31st March, 2000 and any subsequent financial years are requested to make their claim to the Company's Share Transfer Agent office immediately.
12. Pursuant to provisions contained in section 205A and 205C of the Companies Act, 1956, the Company, *has transferred final dividend for the financial year ended 31.03.1999 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. 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. Members are requested to approach their DPs for dematerialisation of equity shares of the Company.

14. Appointment/Re-appointment of Directors:

At the ensuing Annual General Meeting Mr. Beni Gopal Saraf and Ms. Janaki Venkatramani retires by rotation and being eligible, offer themselves for re-appointment.

Mr. Ramesh Kumar Haritwal has been appointed as an Additional Director of the Company.

He has also been appointed as a Managing Director & CEO of the Company.

Pursuant to clause 49 of the Listing Agreement relating to the code of Corporate Governance, the particulars of Mr. Beni Gopal Saraf & Ms. Janaki Venkatramani are furnished in the Corporate Governance Report annexed to this Annual Report. Further, Particulars of Mr. Ramesh Kumar Haritwal is as follows :

Name	Mr. Ramesh Kumar Haritwal
Father's Name	Mr. Chandra Prakash Haritwal
Date of Birth	01.09.1963
Date of Appointment	31.05.2007
Expertise in specific Functional area	He has vast experience in the Granite Industry. He also possesses knowledge in the area of finance and marketing.
Qualification	B.Com
List of outside directorship Held excluding alternate directorship	NIL
Chairman/Member of the Committee of the Board of the Company	NIL
Chairman/Member of the Committee of the Board of Directors of other companies in which he is a director	NIL
Number of shares held in the company	NIL

HIMALAYA GRANITES LIMITED**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 31 May, 2007 appointed Mr. Ramesh Kumar Haritwal as an Additional Director of the Company under Article 135 of the Articles of Association of the Company. Mr. Ramesh Kumar Haritwal, hold offices as an Additional Directors up to the date of ensuing Annual General Meeting. The Company has received a notice in writing from a member along with deposit of Rs. 500.00 proposing the candidature of Mr. Ramesh Kumar Haritwal for the office of director of the Company under the provisions of section 257 of the Companies Act, 1956. At present Mr. Ramesh Kumar Haritwal is not holding any shares of the Company. Your directors, recommend the resolution for your approval.

None of the Directors is in any way concerned or interested in this resolution except Mr. Ramesh Kumar Haritwal.

Item No. 7

Mr. Ramesh Kumar Haritwal was appointed as an additional director of the company on 31 May 2007. He is a Commerce Graduate. He has vast experience in the area of granites industry. His experience, guidance, suggestion will open new avenues to the Company.

Considering his knowledge the members of the Remuneration Committee of the Board of Directors of the Company in their meeting held on 31 May 2007 appointed Mr. Ramesh Kumar Haritwal as a Managing Director & CEO of the Company for the period of 5 (Five years) with effect from 1 June, 2007 to 31 May, 2012 within the ceiling limit of managerial remuneration as prescribed under schedule XIII of the Companies Act, 1956, on the terms and conditions including remuneration as mentioned below:

Salary & Perquisites :

- I Salary Rs. 1,07,000/- per month w.e.f. 01.06.2007.
- 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.
- IV Reimbursements of actual traveling 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 Mediciam Insurance Policy, Premium not to exceed Rs. 50,000/- 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 shall not be treated as perquisites.
- VIII Other benefits like Gratuity, Provident Fund, Leave etc as applicable to the employees of the Company.



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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.

Your Directors recommend the passing of the resolution.

None of the Directors is in any way concerned or interested in this resolution except Mr. Ramesh Kumar Haritwal.

By Order of the Board

Place : Kolkata
Dated : 29 June, 2007

P. K. Thakur
Company Secretary

Registered Office :
New No.29, Old No.12
No.3-B, Riyaz Garden
Kodambakkam High Road
Nungambakkam
Chennai-600 034



HIMALAYA GRANITES LIMITED**DIRECTORS' REPORT**

Your Directors are pleased to present the Nineteenth Annual Report together with the Audited Accounts of your company for the year ended 31 March, 2007.

FINANCIAL HIGHLIGHTS:

	2006-07	(Rs. in Lacs) 2005-06
Net Sales	1315.07	1572.36
Other Income	109.65	920.14
Profit before Interest & Depreciation	93.70	1087.03
Less :		
a) Interest	93.10	68.97
b) Depreciation	130.90	177.40
Profit Before Tax	(130.31)	840.66
Provision for Tax		
Less: Current	—	15.00
Less: Tax on Fringe Benefits	3.99	3.00
Add: Deferred Tax Release	10.79	26.52
Profit After Taxation	(123.51)	849.18
Balance Brought Forward from earlier years	1075.69	360.77
Amount available for appropriation	952.19	1209.95
APPROPRIATION:		
Proposed Dividend	12.02	30.05
Tax on Dividends	2.04	4.21
Transfer to General Reserve	—	100.00
Balance carried to Balance Sheet	938.12	1075.69

REVIEW OF OPERATIONS

During the year under review, the operation of the Company was not favourable. The Company is taking various steps to enhance performance and profitability.

TRANSFER TO GENERAL RESERVE

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

FUTURE OUTLOOK

The cost of production is expected to be further down during the current year by controlling the cost. This can be achieved by selecting raw material /consumables up to the quality at moderate rates. Further steps being taken to create confidence among the overseas customers to maintain and improve its market share.

DIVIDEND

Your Directors recommended the final dividend for fiscal year 2006-07 @ 4% on equity shares of the Company.



HIMALAYA GRANITES LIMITED

DIRECTORS

Mr. Beni Gopal Saraf and Ms. Janaki Venkatramani, are the directors liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Mr. Rajesh Mittal has resigned from the Board with effect from 31 May, 2007. Your directors have taken on record its deep appreciation of the very considerable services rendered by Mr. Rajesh Mittal during his long association with your Company.

The Board of Directors appointed Mr. Ramesh Kumar Haritwal as an Additional Director with effect from 31 May, 2007. Further, the Remuneration Committee of the Board Of Directors at their meeting held on 31 May, 2007, appointed Mr. Ramesh Kumar Haritwal as a Managing Director & CEO of the Company for a period of 5(five) years with effect from 1 June, 2007 to 31 May, 2012.

AUDITORS AND THEIR REPORT

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- 1) in preparing the annual accounts, applicable accounting standards were followed along with proper explanations relating to material departures;
- 2) the Directors had selected such accounting policies and applied them consistently and made reasonable and prudent judgments and estimates so as 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 profit or loss 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, to safeguard the assets of the company and to prevent and detect 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 Exchange, along with Auditors' certificate, on compliance with the mandatory recommendation on Corporate Governance, is annexed to this report.

HIMALAYA GRANITES LIMITED



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CEO/CFO CERTIFICATION

As required by clause 49 of the Listing Agreement, the CEO/CFO certification is provided elsewhere in the Annual Report.

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.

On behalf of the Board of Directors

Place : Kolkata
Dated : 29 June, 2007

S. P. Mittal
Chairman