
ANNUAL REPORT 2009-2010



HIMALAYA GRANITES LIMITED



HIMALAYA GRANITES LIMITED

BOARD OF DIRECTORS

Mr. Shiv Prakash Mittal, Chairman
Mr. Ramesh Kumar Haritwal, Managing Director & CEO
Mr. Saurabh Mittal
Ms. Janaki Venkatramani
Mr. Beni Gopal Saraf
Mr. Mahesh Kumar Malpani

AUDIT COMMITTEE

Ms. Janaki Venkatramani, Chairperson
Mr. Saurabh Mittal
Mr. Mahesh Kumar Malpani

AUDITORS

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

SHARE TRANSFER & INVESTORS GRIEVANCE COMMITTEE

Mr. Saurabh Mittal
Mr. Mahesh Kumar Malpani
Ms. Janaki Venkatramani
Mr. Beni Gopal Saraf

CHIEF FINANCIAL OFFICER

Mr. R. Jayasankar

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Prakash Kumar Biswal

REMUNERATION COMMITTEE

Ms. Janaki Venkatramani
Mr. Mahesh Kumar Malpani
Mr. Beni Gopal Saraf

REGISTRAR & SHARE TRANSFER AGENT

M/s. S. K. Computers
34/1A, Sudhir Chatterjee Street
Kolkata - 700 006

REGISTERED OFFICE

Panchalam Village
Melpettai Post, Tindivanam
Tamilnadu-604 307

FACTORY

Panchalam Village
Melpettai Post, Tindivanam
Tamilnadu-604 307

HIMALAYA GRANITES LIMITED



NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the members of the Company will be held on Friday, 10 September, 2010 at the Registered Office of the Company at Panchalam Village, Melpettai Post, Tindivanam, Tamilnadu-604 307 at 1:00 P.M. to transact the following businesses:

Ordinary Business:

- 1) To receive, consider and adopt the Audited Accounts of the Company for the year ended 31 March, 2010 together with Directors' Report and Auditors' Report thereon.
- 2) To appoint a director in place of Ms. Janaki Venkatramani, who retires by rotation and being eligible, offers herself for re-appointment.
- 3) To appoint a director in place of Mr. Beni Gopal Saraf, who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint statutory auditors and to fix their remuneration and in this connection, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ordinary resolution**:

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

Place : Kolkata

Dated : 30 May, 2010

Registered Office :

Panchalam Village
Melpettai Post, Tindivanam,
Tamilnadu-604 307

By Order of the Board
For Himalaya Granites Limited

P. K. Biswal
Company Secretary



HIMALAYA GRANITES LIMITED

NOTES :

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company. Proxies in order to be effective, must be lodged with the company at its Registered office not less than 48 hours before the time of the meeting.**
2. Members holding share in dematerialised form are requested to bring their Depository Account Number and Client I.D No. for identification.
3. The Register of Members and Share Transfer Books of the company will remain closed from 8 September, 2010 to 10 September, 2010 (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 Agent M/s. S. K. Computers, 34/1A, Sudhir Chatterjee Street, Near Girish Park Metro Station, Kolkata - 700 006, Phone: 033- 2219-4815/6797.
6. Shareholders are requested to bring their copies of Annual Report to the Meeting.
7. Company's shares are listed on Bombay Stock Exchange (BSE) and listing fees for the financial year 2010-11 has been paid to above Stock Exchange.
8. Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, the final dividend for the year ended 31 March, 2002 remaining unpaid or unclaimed for a period of seven years from the date of transfer of the same to the unpaid dividend account, has been transferred to the Investor Education and Protection Fund established by the Central Government. No claim shall lie against the Investor Education and Protection Fund or the Company in respect of individual amount(s) so credited to the Investor Education and Protection Fund.
9. Pursuant to the provisions of the Companies Act, 1956, the final dividend for the financial year ended 31 March 2003 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 2003 to Investor Education and Protection Fund is October, 2010. Shareholders, who have not yet encashed their dividend warrants for the financial year ended 31 March 2003 and any subsequent financial years are requested to make their claim to the Company's Share Transfer Agent immediately.
10. Members are requested to approach their DPs for dematerialization of equity shares of the Company.
11. Members are informed that it has become mandatory for the transferee(s) to furnish copy of their PAN card to the Company/RTAs for registration of transfer of shares in physical form.
12. **Appointment/Re-appointment of Directors:**
Profiles of directors seeking appointment/re-appointment as stipulated under Clause 49 of the Listing Agreement with stock exchange are furnished in the Corporate Governance Report, which forms an integral part of this Annual Report.

Place : Kolkata
Dated : 30 May, 2010

By Order of the Board
For Himalaya Granites Limited

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

P. K. Biswal
Company Secretary

HIMALAYA GRANITES LIMITED



DIRECTORS' REPORT

Your Directors present herewith the 22nd Annual Report together with the Audited Accounts of your Company for the year ended 31 March, 2010.

FINANCIAL HIGHLIGHTS:

	2009-10	(Rs. in Lacs) 2008-09
Net Sales	4.10	122.85
Other Income	24.16	73.68
Profit/(Loss) before Interest, Depreciation & extraordinary items	(51.17)	(51.09)
Less :		
a) Interest	31.47	74.84
b) Depreciation	31.74	31.53
c) Extra-ordinary Items	0.29	420.93
Profit/(loss) Before Tax	(114.67)	(578.39)
Provision for Tax		
Tax on Fringe Benefits	—	(0.35)
Deferred Tax Release/(Provision)	(6.64)	(5.76)
Income Tax for earlier year	(1.58)	—
Profit/(loss) After Taxation	(122.89)	(584.50)
Balance Brought Forward from earlier years	30.60	615.10
Balance carried to Balance Sheet	(92.29)	30.60

REVIEW OF OPERATIONS

During the year under review the single unit of the Company situated at Panchalam Village, Melpettai Post, Tindivanam, Tamilnadu-604 307 remained inoperative.

Shareholders of the Company vide special resolution passed under section 293(1)(a) of the Companies Act, 1956 through postal ballot voting process on 29th December, 2009 approved sale of plant and machinery and other fixed assets (excluding land and building) of the unit of the Company situated at Panchalam Village, Melpettai Post, Tindivanam, Tamilnadu – 604 307 and accordingly necessary steps in this respect are being taken up by the Company.

TRANSFER TO GENERAL RESERVE

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

DIVIDEND

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

DIRECTORS

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

Your directors recommend the above reappointments.

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



HIMALAYA GRANITES LIMITED

AUDITORS AND THEIR REPORT

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- 1) In preparation of the annual accounts, applicable accounting standards were followed.
- 2) The Directors had selected such accounting policies and applied them consistently and made reasonable and prudent judgments and estimates to provide a true and fair view of the state of affairs of the company at the end of the financial year and of the profit 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 Exchanges, along with Auditors' certificate, on compliance with the mandatory recommendation on Corporate Governance, is annexed to this report.

SHIFTING OF REGISTERED OFFICE

During the year under review, the Registered Office of the Company shifted from New No. 29, Old No. 12, No. 3-B, Riaz Garden, Kodambakkam High Road, Nungambakkam, Chennai, Tamilnadu - 600034 to Panchalam Village, Melpettai Post, Tindivanam, Tamilnadu – 604307 vide special resolution passed by the shareholders of the Company through Postal Ballot voting process on 29th December, 2009.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CEO AND CFO CERTIFICATION

As required under Clause 49 of the Listing Agreement, the CEO and CFO certification is attached with the Annual Report. The Managing Director & CEO and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41 of the Listing Agreement.

HIMALAYA GRANITES LIMITED



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 2010. 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, 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 the Board of Directors) Rules, 1988 are annexed hereto and form part of this report.

ACKNOWLEDGEMENT

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

On behalf of the Board of Directors

Place : Kolkata
Dated : 30 May, 2010

S. P. Mittal
Chairman



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 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>2009-10</u>	<u>2008-09</u>
I. POWER & FUEL CONSUMPTION		
Electricity		
Purchased :		
Units	33570	42255
Total Amount (Rs.)	4,96,958	5,61,342
Rate per Unit (Rs.)	14.80	13.28
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.

Expenditure on R & D

Rs. In lacs

Capital	—
Revenue	—
Total	—

Total R & D expenditure as percentage of total turnover Nil.

C. FOREIGN EXCHANGE EARNINGS & OUTGO :

Earnings and outgo:

	<u>2009-10</u> <u>(Rs. in Lacs)</u>	<u>2008-09</u> <u>(Rs. in Lacs)</u>
Earnings (FOB Value of Exports)	—	107.55
Outgo on account of :		
a) Raw-Materials & Consumables	—	—
b) Travelling	—	—
c) Others	—	7.19
TOTAL	<u>—</u>	<u>7.19</u>

On behalf of the Board of Directors

Place : Kolkata
Dated : 30 May, 2010

S. P. Mittal
Chairman

HIMALAYA GRANITES LIMITED



MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

INDUSTRY STRUCTURE AND DEVELOPMENT

The growth in this sector over the years has been inconsistent in terms of value because of the global competition.

There was no manufacturing activity in the Company during the year under review.

OPPORTUNITIES AND THREATS

The management could not tap any opportunity during the year under review since there was no manufacturing activity.

OUTLOOK

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

RISK AND CONCERN

The closure of the Company's unit has posed a challenge for the Company to resume operation. However your directors are exploring alternate avenues to make the Company operative.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

HUMAN RESOURCES DEVELOPMENT

The production facilities of the Company continue to remain close since 27-02-2008. However, the Company has since paid the entire dues of its workers pursuant to the Memorandum of Settlement executed between Company and Workers under Section 12(3) of Industrial Dispute Act, 1947.

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 so on which the company does not have any direct control.

On behalf of the Board of Directors

Place : Kolkata
Dated : 30 May, 2010

S. P. Mittal
Chairman



HIMALAYA GRANITES LIMITED

CORPORATE GOVERNANCE REPORT :

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

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

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

2. Board of Directors

Composition

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

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

Board Meetings

During the financial year ended 31st March 2010, seven Board Meetings were held on 13 April 2009, 30 June 2009, 31 July 2009, 31 October 2009, 9 November 2009, 30 December 2009 and 30 January 2010. 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. Shiv Prakash Mittal (DIN 00237242)	Non-Executive Chairman-Promoter Director	7	5	No	1	1	2	1
Mr. Saurabh Mittal (DIN 00273917)	Non-Executive-Promoter Director	7	1	No	2	3	4	–
Mr. Ramesh Kumar Haritwal (DIN 01486666)	Managing Director & CEO	7	7	Yes	–	–	–	–
Ms. Janaki Venkatramani (DIN 00277900)	Non-Executive-Independent Director	7	6	No**	–	–	–	–
Mr. Beni Gopal Saraf (DIN 00267858)	Non-Executive-Independent Director	7	4	No	–	–	–	–
Mr. Mahesh Kumar Malpani (DIN 02603222)	Non-Executive-Independent Director	7	6	No	–	2	–	–

* including directorship in Foreign Company.

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