ANNUAL REPORT 2011-2012

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

SHARE TRANSFER & INVESTORS GRIEVANCE COMMITTEE

Mr. Beni Gopal Saraf
Mr. Mahesh Kumar Malpani

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

AUDITORS

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

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

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."

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-Execitive 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

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

Ramesh Kumar Haritwal
Managing Director & CEO

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

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.

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. 1st 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.

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 cores. 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

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:

	2011-12	2010-11
		(₹ in Lacs)
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 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.