
ANNUAL REPORT 2008-2009



HIMALAYA GRANITES LIMITED



BOARD OF DIRECTORS

Mr. Shiv Prakash Mittal, Chairman
Mr. Ramesh Kumar Haritwal, Managing Director & CEO
Mr. Saurabh Mittal
Mr. Ashok Kumar Sharma (upto 26.03.2009)
Ms. Janaki Venkatramani
Mr. Beni Gopal Saraf
Mr. Mahesh Kumar Malpani (w.e.f. 26.03.2009)

AUDIT COMMITTEE

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

SHARE TRANSFER & INVESTORS GRIEVANCE COMMITTEE

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

AUDITORS

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

REGISTERED OFFICE

New No. 29, Old No. 12
No. 3-B, Riaz Garden
Kodambakkam High Road,
Nungambakkam
Chennai - 600 034

REMUNERATION COMMITTEE

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

BANKERS

Union Bank of India

CHIEF FINANCIAL OFFICER

Mr. R. Jayasankar

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Prakash Kumar Biswal

FACTORY

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



HIMALAYA GRANITES LIMITED

NOTICE

NOTICE is hereby given that the Twenty-first Annual General Meeting of the members of the Company will be held on *Wednesday, 30 September, 2009* at the Registered Office of the Company at New No.29, Old No.12, No.3-B, Riaz Garden, Kodambakkam High Road, Nungambakkam, Chennai - 600 034 at 11:00 A.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, 2009 together with Directors' Report and Auditors' Report 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 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 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, pass with or without modification(s) the following resolution as an **ordinary resolution**.

"RESOLVED THAT Mr. Mahesh Kumar Malpani, 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 upto the date of this 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."

Place : Kolkata
Dated : 30 June, 2009

By Order of the Board

P. K. Biswal

Company Secretary

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



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. 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 28 September, 2009 to 30 September, 2009 (both days inclusive).
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 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. Company's shares are listed on Bombay Stock Exchange (BSE) and listing fees for the financial year 2009-10 has been paid to above Stock Exchange.
9. Pursuant to the provisions of the Companies Act, 1956, the final dividend 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. Shareholders, who have not yet encashed their dividend warrants for the earlier financial years are requested to make their claim to the Company's Share Transfer Agent office immediately.
10. 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 31st March, 2001 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.
11. Members are requested to approach their DPs for dematerialization of equity shares of the Company.
12. 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.
13. **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.



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

Item No. 4

The Board of directors at their meeting held on 26.03.2009 appointed Mr. Mahesh Kumar Malpani as an additional director of the Company. Pursuant to provisions of Section 260 of the Companies Act, 1956 and Article 135 of Articles of Association of the Company, Mr. Mahesh Kumar Malpani holds office as such up to twenty-first annual general meeting of the Company. However, a notice in writing has been received from a member along with deposit of Rs. 500/- pursuant to Section 257 of the Companies Act, 1956 and Articles 140A of the Articles of Association of the Company, signifying her intention to propose Mr. Mahesh Kumar Malpani as a director of the Company, liable to retire by rotation.

Mr. Mahesh Kumar Malpani is not disqualified from being appointed as a director under Section 274(1)(g) of the Companies Act, 1956 and has complied with the requirement of obtaining the director identification number in terms of Section 266A of the Companies Act, 1956. The Company has received requisite disclosure from Mr. Mahesh Kumar Malpani in terms of Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003 confirming his eligibility for such appointment.

A brief resume of Mr. Mahesh Kumar Malpani, nature of his expertise in specific functional area etc. as stipulated under Clause 49 of the Listing Agreement with Stock Exchange are provided in Report on Corporate Governance forming part of this Annual Report.

The Board of Directors recommends passing of the resolution as an ordinary resolution.

None of the directors of the Company is, in any way, concerned/interested in the proposed resolution, except Mr. Mahesh Kumar Malpani.

By Order of the Board

Place: Kolkata
Dated: 30 June, 2009

P. K. Biswal
Company Secretary

Registered Office :

New No.29, Old No.12
No.3-B, Riaz Garden
Kodambakkam High Road
Nungambakkam
Chennai-600 034

**DIRECTORS' REPORT**

Your Directors are pleased to present the Twenty-first Annual Report together with the Audited Accounts of your company for the year ended 31 March, 2009.

FINANCIAL HIGHLIGHTS:*(Rs. in Lacs)*

	2008-09	2007-08
Net Sales	122.85	1142.80
Other Income	73.68	93.03
Profit/(Loss) before Interest, Depreciation & extraordinary items	(51.09)	99.18
Less :		
a) Interest	74.84	105.88
b) Depreciation	31.53	113.24
c) Extra-ordinary Items	420.93	-
Profit/(loss)Before Tax	(578.39)	(318.30)
Provision for Tax		
Less: Current Tax	-	-
Less: Tax on Fringe Benefits	(0.35)	(2.50)
Add: Deferred Tax Release/(Provision)	(5.76)	(2.22)
Profit/(loss)After Taxation	(584.50)	(323.02)
Balance Brought Forward from earlier years	615.10	938.12
Amount available for appropriation	30.60	615.10
Balance carried to Balance Sheet	30.60	615.10

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. Your company commenced trading operations but could not sustain it due to lack of demand.

TRANSFER TO GENERAL RESERVE

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

STRIKE AND LOCK-OUT

During 2007-08, the workers of the Company's unit situated at Panchalam Village, Melpettai Post, Tindivanam, Tamilnadu-604 307 went on strike w.e.f 27 February, 2008 (Second Shift). Consequently, the management declared Lock-out at the said unit in March, 2008. Efforts were made to find a mutually acceptable solution in a tripartite talk between management, union and the government represented by the Deputy Commissioner of Labour, Chennai. The Workers expressed their desire to voluntarily quit the services of the Company and accordingly a Memorandum of Settlement was executed between Company and Workers under Section 12(3) of Industrial Disputes Act, 1947. During the year under review, Rs. 188.35 lacs was paid to the Workers as per the said Memorandum of Settlement and the balance dues amounting to Rs.108.35 lacs approx. was paid in May, 2009.

DIVIDEND

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



DIRECTORS

Mr. Ashok Kumar Sharma, resigned from the Board of the Company w.e.f. 26.03.2009. The Board recorded its appreciation for the valuable contribution made by him during his tenure as director of the Company.

Pursuant to provisions of Section 260 of the Companies Act, 1956 and Article 135 of Articles of Association of the Company Mr. Mahesh Kumar Malpani, was appointed as an additional director w.e.f. 26.03.2009. Mr. Malpani holds office as such upto twenty-first annual general meeting of the Company. A notice has been received from a member proposing the candidature of Mr. Malpani to the office of director, liable to retire by rotation.

Further, 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.

Your directors recommend the above appointment/reappointment.

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 when read in conjunction with the facts given herein above under 'strike and lock-out' become 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

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 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.

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 2009. The declaration is attached with 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 and Shareholders.

On behalf of the Board of Directors

Place : Kolkata
Dated : 30 June, 2009

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>2008-09</u>	<u>2007-08</u>
I. POWER & FUEL CONSUMPTION		
Electricity Purchased:		
Units	42255	899753
Total Amount (Rs.)	5,61,342	42,42,420
Rate per Unit (Rs.)	13.28	4.71
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	120.04
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>2008-09</u>	<u>2007-08</u>
	<u>(Rs.in Lacs)</u>	<u>(Rs.in Lacs)</u>
Earnings (FOB Value of Exports)	107.55	1131.83
Outgo on account of :		
a) Raw-Materials & Consumables		
b) Travelling	-	1.33
c) Others	7.19	21.83
TOTAL	7.19	23.16

On behalf of the Board of Directors

Place : Kolkata
Dated : 30 June, 2009

S. P. Mittal
Chairman



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 recession and 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

Your directors are exploring alternate avenues to make the Company operative in the coming days.

RISK AND CONCERN

Apart from the risks inherent to the industry, 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 in the coming days.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The company has an adequate internal control system. An audit committee headed by non finance executives independent Directors periodically reviews the audit observation and the corrective remedial measures would be instructed then and there.

HUMAN RESOURCES DEVELOPMENT

During 2007-08, the workers of the Company's unit situated at Panchalam Village, Melpettai Post, Tindivanam, Tamilnadu-604 307 went on strike w.e.f 27th February, 2008 (Second Shift) and the management declared Lock-out at the said unit in March, 2008. Efforts were made to find a mutually acceptable solution in tripartite talk between management, union and the government represented by the Deputy Commissioner of Labour, Chennai. The Workers expressed their desire to voluntarily quit the services of the Company and accordingly a Memorandum of Settlement was executed between Company and Workers under Section 12(3) of Industrial Dispute Act, 1947. During the year under review, Rs.188.35 lacs was paid to the Workers as per the said Memorandum of Settlement and the balance dues amounting to Rs.108.35 lacs approx. was paid in May, 2009.

On behalf of the Board of Directors

Place : Kolkata
Dated : 30 June, 2009

S. P. Mittal
Chairman

**Report on Corporate Governance :**

(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 2009, seven Board Meetings were held on 10 April 2008, 30 June 2008, 31 July 2008, 25 August 2008, 31 October 2008, 31 January 2009 and 26 March 2009.

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	2	5	1	1
Mr. Saurabh Mittal (DIN 00273917)	Non-Executive- Promoter Director	7	1	No	1	4	4	—
Mr. Ramesh Kr. Haritwal (DIN 01486666)	Managing Director & CEO	7	7	Yes	—	—	—	—
Ms. Janaki Venkatramani (DIN 00277900)	Non-Executive- Independent Director	7	6	No**	—	—	—	—
Mr. Ashok Kumar Sharma (DIN 00264743)	Non-Executive- Independent Director (upto 26.03.2009)	7	5	No	—	—	—	—
Mr. Beni Gopal Saraf (DIN 00267858)	Non-Executive- Independent Director	7	5	No	—	—	—	—
Mr. Mahesh Kumar Malpani (DIN 02603222)	Non-Executive- Independent Director (w.e.f. 26.03.2009)	7	1	N.A.	—	—	—	—

* including directorship in Foreign Company.

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



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. Mahesh Kumar Malpani
Father's Name	Mr. Shiv Prakash Mittal	Mr. Satnarayan Malpani
Date of Birth	6 October, 1975	5 September 1953
Date of Appointment	2 January, 1996	26 March 2009
Expertise in specific functional area	Mr. Saurabh Mittal is a commerce graduate possessing vast experience in managing operations across various status.	Mr. Mahesh Kumar Malpani is a commerce graduate possessing vast experience in the area of Administration and Finance.
Qualification	B.Com	B.Com
List of outside directorship held excluding alternate directorship	Greenply Industries Ltd. Prime Holdings Pvt. Ltd. Prime Properties Pvt. Ltd. Greenlam Asia Pacific Pte. Ltd. Greenlam America, Inc.	NIL
Chairman/Member of the Committee of the Board of the Company	<u>Chairman</u> Nil <u>Member</u> Audit Committee, Share Transfer & Investors Grievance Committee	<u>Chairman</u> Nil <u>Member (w.e.f 26.03.2009)</u> Audit Committee, Share Transfer & Investors Grievance Committee, Remuneration Committee
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:</u> Audit Committee, Operational Committee, Share Transfer & Investors Grievance Committee, Right Issue Committee of Greenply Industries Ltd.	<u>Chairman</u> Nil <u>Member:</u> Nil
Number of shares held in the company	10000	NIL



Disclosures of relationships between directors :

Name of the Directors	Category of Directorship	Relationship between directors
Mr. Shiv Prakash Mittal	Non-Executive Chairman-Promoter Director	Mr. Saurabh Mittal (Son)
Mr. Saurabh Mittal	Non-executive-Promoter Director	Mr. Shiv Prakash Mittal (Father)
Mr. Ramesh Kumar Haritwal	Managing Director & CEO	None
Ms. Janaki Venkatramni	Non-Executive- Independent Director	None
Mr. Ashok Kumar Sharma	Non-Executive- Independent Director	None
Mr. Beni Gopal Saraf	Non-Executive- Independent Director	None
Mr. Mahesh Kumar Malpani	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 circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. 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 non-executive promoter director. The Company Secretary acts as a secretary to the Audit Committee.

Ms. Janaki Venkatramani, Chairperson

Mr. Ashok Kumar Sharma (Up to 26.03.2009)

Mr. Saurabh Mittal

Mr. Mahesh Kumar Malpani (W.e.f 26.03.2009)

The members of the committee are well versed in matters relating to finance, accounts and general management practices.



The power 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:
 - 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 issue, 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/right 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.



HIMALAYA GRANITES LIMITED

- 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.
- 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
- 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 2008-09, five meetings were held on 10 April 2008, 30 June 2008, 31 July 2008, 31 October 2008 and 31 January 2009. The meetings are generally held before finalisation of quarterly and annual accounts.

Name of the Members	Status	No. of Meetings	
		Held	Attended
Ms. Janaki Venkatramani	Non-executive independent director	5	5
Mr. Ashok Kumar Sharma (Up to 26.03.2009)	Non-executive independent director	5	5
Mr. Saurabh Mittal	Non-Executive promoter director	5	1
Mr. Mahesh Kumar Malpani (W.e.f 26.03.2009)	Non-Executive independent director	5	N.A.

5. Subsidiaries Companies

The Company does not have any subsidiaries.

6. Remuneration Committee

Composition:

Ms. Janaki Venkatramani
Mr. Ashok Kumar Sharma (Up to 26.03.2009)
Mr. Beni Gopal Saraf
Mr. Mahesh Kumar Malpani (W.e.f 26.03.2009)

All the above members 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 appointment and re-appointment of executive directors, Managing Directors and also to fix their remuneration package and designation.

Meetings and attendance:

There was no meeting of the remuneration committee was held during 2008-09.

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.

I. Executive Director

The details of remuneration to Executive director for the year ended 31 March, 2009 are as follows and the same is within the ceiling prescribed within the applicable provisions of the Companies Act, 1956

Name and designation	Service Contract/ 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	1329000	154080

* 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 to Non-executive Directors for the financial year 2008-09 are as follows:

Name	Service Contracts/ Notice Period	Sitting Fees Paid (Rs.)	No of shares held in the Company
Ms. Janaki Venkatramani	Retire by rotation	3000/-	NIL
Mr. Beni Gopal Saraf	Retire by rotation	2500/-	NIL
Mr. Ashok Kumar Sharma	Retire by rotation (up to 26.03.2009)	2500/-	NIL
Mr. Shiv Prakash Mittal	Retire by rotation	2500/-	12500
Mr. Saurabh Mittal	Retire by rotation	500/-	10000
Mr. Mahesh Kumar Malpani	Additional Director (w.e.f. 26.03.2009)	500/-	NIL



7. Share Transfer and Investors' Grievance Committee

Composition:

The Share Transfer and Investors Grievance Committee comprises three Non-executive independent directors and one Non-executive promoter director.

Ms. Janaki Venkatramani, Chairperson
Mr. Saurabh Mittal
Mr. Ashok Kumar Sharma (Upto 26.03.2009)
Mr. Beni Gopal Saraf
Mr. Mahesh Kumar Malpani (w.e.f 26.03.2009)

Mr. Prakash Kumar Biswal, company secretary, acts as the secretary to the committee and compliance officer of the company. 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, monitoring of shareholder's complaints and share price movements.

During the year the company complied with all of the following requests/complaints received from its shareholders.

- (a) Request for revalidation of dividend warrants - 8 cases
- (b) Request for updating Change of address – 3 cases

The table gives the number of complaints received, resolved and pending during the year 2008-09.

Number of complaints:

Received	Resolved	Pending
Nil	Nil	Nil

During 2008-09, two meetings were held on 18 June 2008 and 23 October 2008 and the attendance of member Directors were as follows:

Name of the members	Status	No of Meeting held	No of meeting attended
Mr. Saurabh Mittal	Non-executive- promoter director	2	NIL
Ms. Janaki Venkatramani	Non-executive -independent director	2	2
Mr. Beni Gopal Saraf	Non-executive -independent director	2	2
Mr. Ashok Kumar Sharama (Up to 26.03.2009)	Non-executive -independent director	2	2
Mr. Mahesh Kumar Malpani (w.e.f 26.03.2009)	Non-executive -independent director	2	N. A.

**8. General Body Meetings**

i. The details of last three Annual General Meetings of the Shareholders are as under :

Financial Year	Date of AGM	Venue	Time
31.03.2008	26.09.2008	New No. 29, Old No. 12, No. 3-B, Riaz Garden, Kodambakkam High Road, Nungambakkam, Chennai-600 034	11.00 A.M.
31.03.2007	27.09.2007	New No. 29, Old No. 12, No. 3-B, Riaz Garden, Kodambakkam High Road, Nungambakkam, Chennai-600 034	11:00 A.M
31.03.2006	25.09.2006	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:

- a. At the Twentieth Annual General Meeting held on: 26 September, 2008. NIL
- b. At the Nineteenth Annual General Meeting held on: 27 September, 2007. NIL
- c. At the Eighteenth Annual General Meeting held on 25 September, 2006. 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

- a) 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.
- b) 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.
- c) The company laid down procedures to inform Board members about the risk assessment and minimization procedures, which are periodically reviewed.
- d) No penalties or strictures have been imposed on the company by the stock exchanges or SEBI, or any statutory authority on any matter related to the capital during the last three years.
- e) The company complied with all the mandatory requirements as prescribed 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.
- 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 complied with the non-mandatory requirements of Clause 49 of the Listing Agreement with regards to constitution of Remuneration Committee.



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.

Details about the means of communication:

Recommendation	Compliance
Quarterly results	Published in leading newspapers
Newspapers wherein results are normally published	Business Standard/Financial Express (English daily) and Dinamalar/Malai Murasu (Tamil daily)
Any website, where displayed	No
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.

12. General Shareholder information

- i. Date, time & venue of the Annual General Meeting
Wednesday, 30 September, 2009, 11:00 A.M
at New No. 29, Old No.12, 3-B, Riaz Garden, Kodambakkam High Road, Nungambakkam, Chennai-600 034
- ii. Financial Year
Financial year of the company is from 1 April to 31 March.
Publication of results for the FY 2009-10 (tentative and subject to change)
First quarter results: End-July 2009
Second quarter and half yearly results: End-October 2009
Third quarter results: End-January 2010
Fourth quarter results and results for the year ending on 31.03.2010 : End-April 2010/June 2010
- iii. Book Closure Period
From 28 September, 2009 to 30 September, 2009 (both days inclusive)
- iv. Listing of equity shares at stock exchange
Bombay Stock Exchange Ltd. (BSE)
Floor 25, P. J. Towers, Dalal Street, Fort
Mumbai-400001
- v. Stock code
BSE: 513723



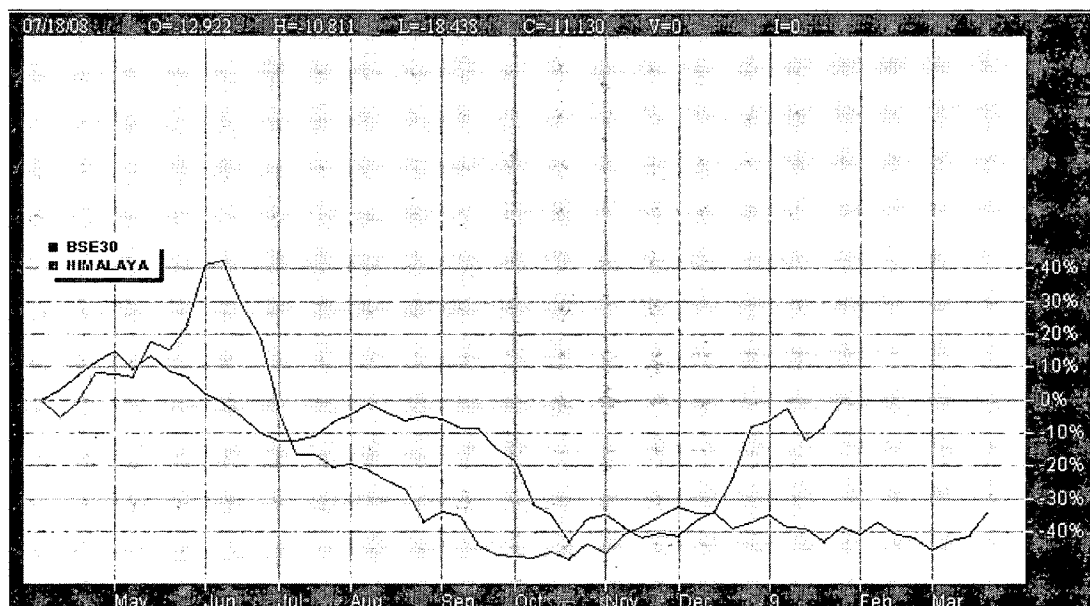
vi. Market price data for the financial year 2008-09.

Month	At BSE	
	High (Rs)	Low (Rs)
April 2008	12.93	10.55
May 2008	14.15	11.25
June 2008	16.95	13.45
July 2008	12.79	9.45
August 2008	9.45	8.56
September 2008	8.81	7.07
October 2008	7.30	5.64
November 2008	6.35	5.52
December 2008	6.65	6.00
January 2009	7.60	6.95
February 2009	10.39	7.00
March 2009	11.55	9.43

vii. E-mail ID for Investors: himgran@eth.net

viii. Corporate Identity Number (CIN):L13206TN1987PLC015161

ix. Performance in comparison to broad based indices such as BSE Sensex, CRISIL index etc.



x. Registrar & Share Transfer Agent

M/s. S. K. Computers
 34/1A, Sudhir Chatterjee Street
 Kolkata – 700 006.
 Phone: 033-2219-4815, Fax: 033-2219-4815



HIMALAYA GRANITES LIMITED

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 2009

Equity shares held	Number of Shareholders	Percent of Shareholders	Number of Shares held	Percent of Shares held
1-500	1271	87.72	171414	5.70
501-1000	87	6.00	72178	2.40
1001-2000	39	2.68	60102	2.00
2001-3000	13	0.90	32599	1.09
3001-4000	3	0.21	10683	0.36
4001-5000	9	0.62	41560	1.38
5001-10000	5	0.35	40632	1.35
10001-50000	10	0.69	205312	6.83
50001-100000	3	0.21	254443	8.47
100001 & above	9	0.62	2116077	70.42
Total	1449	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, **96.24%** of total equity shares have been dematerialized as on 31.03.2009.

xiv. Outstanding ADRs/GDRs

Not Applicable

xv. Plant Location:

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

xvi. Address for correspondence

M/s. S.K. Computers, 34/1A, Sudhir Chatterjee Street
Kolkata – 700 006, Phone: (033) 2219-4815
Fax-(033) 2219-4815
Contact Person : Mr. Dilip Bhattacharya
Email: agarwalskc@rediffmail.com

On behalf of the Board of Directors

Place : Kolkata
Dated : 30 June, 2009

S. P. Mittal
Chairman



**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 Ltd.

In accordance with Clause 49I(D) of the Listing Agreement with the Stock Exchange, 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, 2009.

Dated: 30 June, 2009

Ramesh Kumar Haritwal
Managing Director & CEO



AUDITORS' CERTIFICATE

To
The Members of
Himalaya Granites Limited

We have examined the compliance of conditions of Corporate Governance by Himalaya Granites Ltd., for the year ended on 31 March 2009, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchange.

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 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

Place : Kolkata
Dated : 30 June, 2009

Naveen Kumar Dhandaria
Partner
Membership No. 61127



CERTIFICATION
BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT
TO CLAUSE 49 OF THE LISTING AGREEMENT

To
The Board of Directors
Himalaya Granites Limited

- (a) We have reviewed the financial statements and the cash flow statement for the financial year ended on 31 March, 2009 and that to the best of our 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 our 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) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We 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 we 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

R. Jayasankar
Chief Financial Officer

Dated : 30 June, 2009



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, 2009, the Profit and Loss Account 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 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, Profit & Loss Account 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, Profit & Loss Account 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, 2009 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 report has 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. Having failed to resolve the labour dispute amicably, the Company declared a lock-out in its factory on 17-03-2008 and after failure of the reconciliation proceedings by the intervention of the Deputy Commissioner of Labour and other concerned Government Authorities, the workers of the company are being paid their dues. The production facilities of the Company are, thus, lying closed continuously 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, in the opinion of the Management, the Company would be able to realize its assets and discharge its liabilities in the normal course of business and 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 report relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities, except that a sum of Rs 1,95,10,493/- has been written off on account of damage / deterioration of inventory.

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, 2009; and
- (ii) in the case of the Profit & Loss Account, 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

Naveen Kumar Dhandaria
Partner
Membership No. 61127

Place : Kolkata
Date : 30th June, 2009



ANNEXURE TO AUDIT REPORT

1. (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 not disposed off any major part of the fixed assets, the going concern status of the company is not affected.
2. (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 (iii)(a) to (iii)(d) are not applicable.
(b) As informed to us, the company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the registered maintained under section 301 of the Act and as such clauses (iii)(e) to (iii)(g) are not applicable.
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;
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.
 - (b) According to information and explanations given to us, the following disputed amounts have not been deposited by the company :



Statement of Disputed Dues

Name of the Statute	Nature of the Dues	Amount (Rs)	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

- (c) According to information and explanations given to us, apart from above, there are no other dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
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. In our opinion and according to the information and explanations given to us, the Company has issued no debentures. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank as at the Balance Sheet date.
 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 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 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, the term loans have been applied for the purpose for which they were raised.
 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

Naveen Kumar Dhandaria
Partner

Membership No. 61127

Place : Kolkata

Dated : 30th June, 2009



HIMALAYA GRANITES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2009

SOURCES OF FUNDS:	<u>Schedules</u>	AS AT 31ST MARCH, 2009		AS AT 31ST MARCH, 2008	
		Rs.	Rs.	Rs:	Rs.
1. SHAREHOLDERS' FUNDS :					
Share Capital	A	30050000		30050000	
Reserves & Surplus	B	87654216		146104227	
			117704216		176154227
2. LOAN FUNDS :					
Secured Loans	C	42143383		77652993	
3. Deferred Tax Liabilities (Net)	D	5908203		5332144	
TOTAL :			165755802		259139364
APPLICATION OF FUNDS :					
1. <u>FIXED ASSETS :</u>	E				
Gross Block		209421447		213466793	
Less: Depreciation		155591405		156197868	
Net Block			53830042		57268925
2. <u>INVESTMENTS:</u>	F		30000000		32500000
3. <u>CURRENT ASSETS, LOANS & ADVANCES :</u>					
Inventories	G	2656147		23509176	
Sundry Debtors	H	29276015		31620609	
Cash & Bank Balances	I	5690283		6913515	
Loans & Advances	J	61659286		134487273	
		99281731		196530573	
Less : CURRENT LIABILITIES & PROVISIONS	K	17355971		27160134	
NET CURRENT ASSETS			81925760		169370439
TOTAL :			165755802		259139364

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS T

The Schedules referred to above form an integral part of the Balance Sheet.

AS PER OUR ANNEXED REPORT OF EVEN DATE.

For **D. Dhandaria & Company**
Chartered Accountants

Janaki Venkatramani
Director

Shiv Prakash Mittal
Chairman

Naveen Kumar Dhandaria

Place : Kolkata

Partner

Prakash Kr. Biswal

Ramesh Kumar Haritwal

Dated : 30th June, 2009

Membership No. 61127

Company Secretary

Managing Director & CEO

HIMALAYA GRANITES LIMITED



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

INCOME :	Schedules	FOR THE YEAR ENDED	
		31ST MARCH, 2009	31ST MARCH, 2008
		Rs.	Rs.
Sales	L	12284914	114280115
Other Income	M	7368256	9302966
Increase/(Decrease) in Stocks	N	—	(18329081)
TOTAL		19653170	105254000
EXPENDITURE :			
Raw Materials Consumed	O	1342536	41078468
Purchase of Finished Goods		9105684	7003839
Cost of Dimensional Granite Blocks		—	2588381
Manufacturing Expenses	P	1428401	20840684
Payments & Other Benefits to Employees	Q	5877718	26239948
Administrative Expenses	R	6033819	9594837
Selling & Distribution Expenses	S	973744	7825510
Interest		7484296	10588348
Depreciation		3153278	11324206
Extra Ordinary Items:			
Compensation to Workers on final settlement		23328268	—
Damage /Detorioration of inventory		18764378	—
TOTAL		77492122	137084221
PROFIT BEFORE TAX		(57838952)	(31830221)
Less : Tax on Fringe Benefits		(35000)	(250000)
Add : Deferred Tax Release / (Provision)		(576059)	(222054)
PROFIT AFTER TAX		(58450011)	(32302275)
Add : Balance brought forward from last year		61509979	93812254
BALANCE TRANSFERRED TO BALANCE SHEET		3059968	61509979
BASIC & DILUTED EARNINGS PER SHARE	T	(19.45)	(4.11)
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS	T		

The Schedules referred to above form an integral part of the Profit & Loss Account.

AS PER OUR ANNEXED REPORT OF EVEN DATE.

For **D. Dhandaria & Company**
Chartered Accountants

Janaki Venkatramani
Director

Shiv Prakash Mittal
Chairman

Naveen Kumar Dhandaria

Place : Kolkata

Partner

Dated : 30th June, 2009

Membership No. 61127

Prakash Kr. Biswal
Company Secretary

Ramesh Kumar Haritwal
Managing Director & CEO



HIMALAYA GRANITES LIMITED

AS AT 31ST
MARCH, 2009
Rs.

AS AT 31ST
MARCH, 2008
Rs.

SCHEDULE 'A'

SHARE CAPITAL :

AUTHORISED :

40,00,000 Equity Shares of Rs. 10/- each

40000000

40000000

ISSUED, SUBSCRIBED AND PAID UP :

30,05,000 Equity Shares of Rs. 10/- each
(Of the above 12,03,000 Equity Shares of Rs 10/- each
have been allotted as fully paid
Bonus Shares by capitalisation of General Reserve)

30050000

30050000

SCHEDULE 'B' :-

RESERVES & SURPLUS :

(a) Securities Premium Account

20000000

20000000

(b) Capital Reserve (Capital Investment Subsidy)

1500000

1500000

(c) General Reserve

63094248

60996599

Add: Provision for Gratuity written back on actuarial
valuation [as per AS-15 (revised)]

—

2097649

63094248

63094248

(d) Profit & Loss Account - balance at credit

3059968

61509979

87654216

146104227

HIMALAYA GRANITES LIMITED



	AS AT 31ST MARCH, 2009 Rs.	AS AT 31ST MARCH, 2008 Rs.
SCHEDULE 'C' :-		
SECURED LOANS :		
A. TERM LOANS		
Axis Bank Limited (Axis)	18398732	37041853
B. WORKING CAPITAL		
Union Bank of India (UBI)	23744651	40611140
	<u>42143383</u>	<u>77652993</u>

PARTICULARS OF SECURITIES

A. TERM LOANS

Loan from Axis is secured by a first charge over the movable and immovable assets of the company, present & future, (except 1.85 acres of quarry lands at Omandur Village, Tindivanam Taluk & 3.50 acres quarry acres quarry land at Sendur Village, Tindivanam Taluk, Tamil Nadu and office premises of the Company situated at Riaz Garden, Nungambakkam, Chennai) and second charge over the current assets of the Company, present & future, and personal guarantee of three Promoters of the company

B. WORKING CAPITAL

The export facilities from UBI are secured by hypothecation of Raw Materials, WIP, Finished Goods and other consumable spares, first charge over 1.85 acres of quarry lands at Omandur Village and 3.50 acres at Sendur Village, both at Tindivanam Taluk, Tamil Nadu & office premises of the Company situated at Riaz Garden, Nungambakkam, Chennai and second charge over entire fixed assets of the Company except Quarry Land at Omandur and Sendur.

SCHEDULE 'D' :-

DEFERRED TAX ASSETS & LIABILITIES

DEFERRED TAX ASSETS

Provision for Gratuity	373538	1812283
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DEFERRED TAX LIABILITIES

Depreciation	6281741	7144427
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NET DEFERRED TAX LIABILITIES

	<u>5908203</u>	<u>5332144</u>
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SCHEDULE 'E' :

FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost As At 01/04/2008	Addition during the year	Deductions during the year	Cost As At 31/3/2009	Upto 31/03/2008	For the year	Adjustment	Upto 31.03.2009	As At 31/03/2009	As At 31/03/2008
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1. Land & Developments	1132849	—	—	1132849	—	—	—	—	1132849	1132849
2. Quarry Land & Developments	38776749	—	—	38776749	38776749	—	—	38776749	—	—
3. Building (Factory)	33711409	—	—	33711409	13408115	1125645	—	14533760	19177649	20303294
4. Building (Others)	13619568	—	—	13619568	1955606	221995	—	2177601	11441967	11663962
5. Plant & Machinery	106988211	—	2268763	104719448	89078490	1083135	2114196	88047429	16672019	17909721
6. Vehicles	5567413	—	191723	5375690	2087792	357556	157730	2287618	3088072	3479621
7. Electrical Fittings	6726043	—	117393	6608650	6230852	28825	111523	6148154	460496	495191
8. Furniture & Fittings	3899294	—	618430	3280864	2576107	190617	580693	2186031	1094833	1323187
9. Office Equipments	3045257	—	849037	2196220	2084157	145505	795599	1434063	762157	961100
Total A	213466793	—	4045346	209421447	156197868	3153278	3759741	155591405	53830042	57268925
11. Capital Work In Progress										
Plant & Machinery	—	—	—	—	—	—	—	—	—	—
Total B	—	—	—	—	—	—	—	—	—	—
Total	213466793	—	4045346	209421447	156197868	3153278	3759741	155591405	53830042	57268925
Previous Year's Total	213748699	2137757	2419663	213466793	146178178	11324206	1304516	156197868	57268925	—



HIMALAYA GRANITES LIMITED



	AS AT 31ST MARCH, 2009 Rs.	AS AT 31ST MARCH, 2008 Rs.
SCHEDULE 'F' :		
INVESTMENTS (At Cost)		
LONG TERM INVESTMENTS		
OTHER THAN TRADE		
UNQUOTED		
In Ashiana Properties (P) Limited 25000 Shares of Rs.10 each	2500000	2500000
In Avinash Mercantile (P) Limited 60000 Shares of Rs.10 each	3000000	3000000
In Binod Resources (P) Limited 25000 Shares of Rs.10 each	2500000	2500000
In Ekta Nivesh (P) Limited 50000 Shares of Rs.10 each	2500000	2500000
In Hanuman Trading & Feeds (P) Limited 30000 Shares of Rs.10 each	3000000	3000000
In Harvard Trading (P) Limited 40000 Shares of Rs.10 each	4000000	4000000
In Laxminarayan Vyapaar (P) Limited 100000 Shares of Rs.10 each	2500000	2500000
In R.A. Trading (P) Limited 25000 Shares of Rs.10 each	2500000	2500000
In Ritz Credit Promotion (P) Limited 50000 Shares of Rs.10 each		2500000
In Safeaid Finance Company (P) Limited 30000 Shares of Rs.10 each	3000000	3000000
In Suryalata Trexim (P) Limited 25000 Shares of Rs.10 each	2500000	2500000
In Usha Polychem (I) (P) Limited 20000 Shares of Rs.10 each	2000000	2000000
	30000000	32500000
Aggregate Book Value of Investments		
Quoted	—	—
Unquoted	30000000	32500000
	30000000	32500000
Market Value of Quoted Investments	—	—



HIMALAYA GRANITES LIMITED

AS AT 31ST
MARCH, 2009
Rs.

AS AT 31ST
MARCH, 2008
Rs.

SCHEDULE 'G' :

INVENTORIES :

(As taken, valued and certified by the Management)

Raw Materials	489269	6436589
Consumables	102893	342978
Stores & Spares	126508	632538
Finished Goods	431239	1034694
Goods under process	1506238	15062377
	<u>2656147</u>	<u>23509176</u>

SCHEDULE 'H' :-

SUNDRY DEBTORS (unsecured, considered good) :

Debts outstanding for a period exceeding six months	29276015	—
Other Debts	—	31620609
	<u>29276015</u>	<u>31620609</u>

SCHEDULE 'I' :-

CASH & BANK BALANCES :

Cash in Hand	3907598	6467867
Balances with Scheduled Banks :		
On Current Accounts	1782685	445648
	<u>5690283</u>	<u>6913515</u>

HIMALAYA GRANITES LIMITED



	AS AT 31ST MARCH, 2009 Rs.	AS AT 31ST MARCH, 2008 Rs.
SCHEDULE 'J' :-		
LOANS & ADVANCES:		
(Unsecured, Considered good):		
Advances (recoverable in cash or in kind or for value to be received or adjusted):		
- To Staff	171684	188244
- Against Purchase of Raw Materials, Stores & Others	10632311	90962563
- To Others	42627383	32361278
Prepaid expenses	76442	418595
Security Deposits	1143497	2262839
Income Tax Advance (net off Provisions)	6814008	6431976
Sales Tax Refund Receivable	—	495803
Service Tax Refund Receivable	193961	1365975
	<u>61659286</u>	<u>134487273</u>
SCHEDULE 'K' :-		
CURRENT LIABILITIES & PROVISIONS :		
[A] CURRENT LIABILITIES :		
Sundry Creditors for Goods , Expenses etc	3382966	6235719
Unclaimed Dividends *	249488	387846
Liabilities		
For Expenses	12483760	5360744
For Other Finance	140794	582295
Temporary Overdraft from Bank	—	9261717
TOTAL-A	<u>16257008</u>	<u>21828321</u>
[B] PROVISIONS :		
For Gratuity	1098963	5331813
TOTAL-B	<u>1098963</u>	<u>5331813</u>
TOTAL (A+B)	<u>17355971</u>	<u>27160134</u>

* Amounts due and outstanding to be credited to the Investor Education and Protection Fund Nil (Previous year Nil)



HIMALAYA GRANITES LIMITED

FOR THE YEAR ENDED 31ST MARCH, 2009
Rs.

FOR THE YEAR ENDED 31ST MARCH, 2008
Rs.

SCHEDULE 'L' :-

SALES :

Monuments & Slabs (Exports)	10922292	110581459
Dimensional Granite Blocks (Exports)	—	3698656
Dimensional Granite Blocks (Local)	1362622	—
	<u>12284914</u>	<u>114280115</u>

SCHEDULE 'M' :-

OTHER INCOME :

Interest Received	6539195	9241900
Profit on Sale of Fixed Assets	4770	58986
Liabilities Written Back	453166	—
Miscellaneous Income	371125	2080
	<u>7368256</u>	<u>9302966</u>

SCHEDULE 'N' :-

INCREASE/(DECREASE) IN STOCKS :

OPENING STOCK

Finished Goods	1034694	12578387
Goods under Process	15062377	21847765
	<u>16097071</u>	<u>34426152</u>
Less : Damage /Deterioration of inventory	14159594	—
	<u>1937477</u>	<u>34426152</u>

CLOSING STOCK

Finished Goods	431239	1034694
Goods under Process	1506238	15062377
	<u>1937477</u>	<u>16097071</u>

Increase / (Decrease) in Stocks

A

B

(A-B) — (18329081)

SCHEDULE 'O' :-

RAW MATERIALS CONSUMED :

Opening Stock	6436589	13978753
Add : Purchases (including procurement costs)	—	33536304
	<u>6436589</u>	<u>47515057</u>
Less : Damage /Deterioration of inventory	4604784	—
	<u>1831805</u>	<u>47515057</u>
Less : Closing Stock	489269	6436589
Consumption during the year	<u>1342536</u>	<u>41078468</u>

HIMALAYA GRANITES LIMITED



SCHEDULE 'P' :-	FOR THE YEAR ENDED	FOR THE YEAR ENDED
	31ST MARCH, 2009	31ST MARCH, 2008
	Rs.	Rs.
<u>MANUFACTURING EXPENSES :</u>		
Consumption of consumables & stores	746115	9433303
Power & Fuel	561342	4911705
Repairs		
- To Machinery	39954	5302019
- To Building	30015	79423
Yard Expenses	50975	1114234
	<u>1428401</u>	<u>20840684</u>
<u>SCHEDULE 'Q' :-</u>		
<u>PAYMENTS & OTHER BENEFITS TO EMPLOYEES :</u>		
Salary, Wages & Bonus	27042111	22143675
Contribution to Provident & Other Funds	332072	1494011
Employees' Welfare Expenses (including Workmens' compensation)	122353	1535862
Gratuity	1709450	1066400
	<u>29205986</u>	<u>26239948</u>
<u>SCHEDULE 'R' :-</u>		
<u>ADMINISTRATIVE EXPENSES :</u>		
Rent	376100	323750
Rates & Taxes	276902	245259
Insurance Charges	644611	1364355
Telephone Expenses	176379	441592
Travelling Expenses (including Foreign Travel)	184531	659487
Miscellaneous Expenses	1771255	3105461
Vehicle Expenses	349103	1076184
Sales Tax	88112	21279
Directors' Remuneration	1329000	1070000
Directors' Sitting Fees	-	13500
Bank Charges	438012	803428
Auditors' Remuneration	106676	158205
Sundry balances written off (net)	-	102190
Loss due to fluctuation in foreign exchange rates	27764	-
Loss on Sale of Fixed Assets	13763	193773
Value of Assets Discarded	251611	16374
	<u>6033819</u>	<u>9594837</u>
<u>SCHEDULE 'S' :-</u>		
<u>SELLING & DISTRIBUTION EXPENSES :</u>		
Advertisement & Sales Promotion Expenses	196787	236959
Packing & Forwarding	521237	6882332
Commission	255720	706219
	<u>973744</u>	<u>7825510</u>



SCHEDULE 'T'

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES :

1. ACCOUNTING CONCEPTS & BASIS OF PRESENTATION

- a) The company follows mercantile system of accounting and recognises income and expenditure on accrual basis except in case of few items stated under the heading "Revenue Recognition" hereinafter. The accounts have been prepared on historical cost basis, as a going concern and are prepared in accordance with generally accepted accounting principles.
- b) Where changes are made in presentation, the comparative figures of the previous year are regrouped accordingly.
- c) 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.

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. REVENUE RECOGNITION:

Income and Expenditure are recognised on accrual basis.

9. VAT, SERVICE TAX & EDUCATION CESS

Various expenses are accounted for after deducting the refunds receivable in respect of VAT, Service Tax & Education cess.

10. DEPRECIATION:

- a) Depreciation on Fixed Assets (other than Quarry Land & Development) 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. The value of Quarry Land is amortised over the period of lease.
- 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.

11. 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.

B. NOTES ON ACCOUNTS:

31.03.2009
Rs.

31.03.2008
Rs.

1) CONTINGENT LIABILITIES

Contingent liabilities not provided for:

Counter guarantees given to the banker /others in respect of the others guarantees given by them.

i) for removal of excisable goods/customs duty	15000000	15000000
ii) for import of consumables	—	300000
Disputed Demand of Income Tax in Appeal	7637145	996511
Export Bills Discounted with Bank	—	13173130



HIMALAYA GRANITES LIMITED

2) AUDITORS' REMUNERATION INCLUDES :

	FOR THE YEAR ENDED	
	31.03.2009	31.03.2008
	Rs.	Rs.
(a) Audit fees	75000	(75000)
(b) Tax Audit fees	10000	(10000)
(c) Fees for Certifications	10500	(13000)
(d) For reimbursement of expenses	—	(37589)
(e) For Service Tax	10052	(22616)
	<u>105552</u>	<u>(158205)</u>

3) a) The Company has been advised that the computation of net profits for the purpose of Directors' remuneration under Section 349 of the Companies Act, 1956 need not be enumerated since no commission has been paid to the Directors. Fixed monthly remuneration has been paid to the Managing Director as per Schedule XIII to the Companies Act, 1956.

(b) DIRECTORS' REMUNERATION:

Managing Director's Salary	1329000	(1070000)
Contribution to Provident Fund	154080	(91680)
	<u>1483080</u>	<u>(1161680)</u>

4) As no enterprise has informed to the company that it is registered under the Micro, Small & Medium Enterprises Development (MSMED) Act, 2006, the company has nothing to disclose under this Act.

5) Balances under Sundry Debtors, Sundry Creditors, Loans and Advances payable or receivable are subject to confirmation to be received from some of the parties.

6) Damage / Deterioration in inventories have been written off as estimated by the Management.

7. Additional information pursuant to the provisions of Paragraph III & IV of the Schedule VI of the Companies Act, 1956.

31/03/2009 **31/03/2008**

a. Licensed Capacity:

Granite Monuments (Sq. mtr)	26500	26500
Dimensional Granite Blocks (CBM)	Not Applicable	Not Applicable

b. Installed Capacity:

Granite Monuments (Sq. mtr)	26500	26500
Dimensional Granite Blocks (CBM)	Not Ascertainable	Not Ascertainable

c. Particulars of Manufactured/Traded Goods:

Granite Monuments	Quantity (Sq. mtr.)		Value (Rs.)	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008
Opening Stock	90.247	1247.346	1005759	12549452
Production *	0.000	7495.350	—	—
Purchases	577.090	—	9105684	—
Sales	577.090	9810.203	10922292	110581459
Closing Stock	90.247	90.247	402304	1005759

* as certified by the management, being a technical matter.

Goods under process (Monuments)	Quantity (Sq. mtr.)		Value (Rs.)	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008
Opening Stock	1638.112	2795.866	15062377	21847765
Closing Stock	1638.112	1638.112	1506238	15062377



Dimensional Granite Blocks	Quantity (CBM)		Value (Rs.)	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008
Opening Stock	11.630	36.076	28935	469441
Production *	—	—	—	—
Purchases	—	97.261	—	2147875
Sales	—	127.385	—	3698656
Closing Stock	11.630	11.630	28935	28935

* as certified by the management, being a technical matter.

	31.03.2009		31.03.2008	
	Qty.	Value	Qty.	Value
d. Raw Materials Consumed				
Dimensional Granite Blocks (CBM)	47.65	1342536	1458.10	41078468
Consumption of Raw Materials is inclusive of transportation Rs. Nil (previous year Rs. 8029341/-), travelling and others expenses of Markers' visit Rs. Nil- (Previous year Rs. 1885695/-)				
e. Value of Imports calculated on CIF Basis :		31.03.2009		31.03.2008
i. Components, Spare Parts and consumables		—		4080393
f. Expenditure in Foreign Currency				
i. Travelling		—		133160
ii. Others		718668		2183113
g. Earnings in Foreign Currency				
FOB value of Exports		10755051		113182937
h. Value of raw materials, stores & spare parts consumed		CONSUMPTION		PERCENTAGE
		VALUE		TO TOTAL
				CONSUMPTION
a) Raw Materials				
Indigenous		1342536		100
		(41078468)		(100)
b) Consumable Stores & Spares				
Imported		—		—
		(6364553)		(46)
Indigenous		746115		100
		(3068750)		(54)

Note: The figures and words in brackets are for previous year.

7. Earnings per Share

Profit after taxation as per Profit & Loss Account	(58450011)	(32302275)
Weighted average number of equity shares outstanding	3005000	3005000
Basic and diluted earnings per share in rupees (face value Rs. 10 per share)	(19.45)	(10.75)



HIMALAYA GRANITES LIMITED

8. Segment Reporting (Under Accounting Standard AS - 17 issued by ICAI)

Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company. As part of Secondary reporting, revenues are attributed to geographical areas based on the location of the customers. The following table present the revenue, profit, assets and liabilities information relating to the business / geographical segment for the year ended 31st March, 2009.

Information about Business Segments - Primary

REPORTABLE SEGMENT	MONUMENTS		DIMENSIONAL GRANITE BLOCKS		UN ALLOCATED		TOTAL	
	(2008-2009)	(2007-2008)	(2008-2009)	(2007-2008)	(2008-2009)	(2007-2008)	(2008-2009)	(2007-2008)
REVENUE								
External Sales	12284914	110581459	0	0	-	-	12284914	110581459
Other Income					7368256	9302966	7368256	9302966
Total Revenue	12284914	110581459	0	0	7368256	9302966	19653170	119884425
RESULT								
Segment Result	(22170467)	10232285	(618288)	(5424238)	7368256	10965484	-15420499	15773531
Unallocated Corporate Expenses					30329373	19494302	30329373	19494302
Operating Profit							(45749872)	(3720771)
Less : Interest (net)					7484296	10588348	7484296	10588348
Profit before Tax							(53234168)	(14309119)
Less : Provision for Taxation							-	-
Less : Provision for Fringe Benefit Tax							(35000)	(398803)
Add/(Less) : Deferred Tax Release / (Provision) & adjustment of earlier years							(576059)	(222054)
Profit after Tax							(53845227)	(14929976)
OTHER INFORMATION								
Segment Assets	51828563	104687609	34816111	52317011	96467099	162891655	183111773	319896275
Segment Liabilities	15214480	21047838	117202	117202	2024288	7893187	17355970	29058227
Loan Funds					42143383	79369106	42143383	79369106
Deferred Tax Liabilities (Net)					5908203	5110090	5908203	5110090
Shareholders' Funds					117704217	206358852	117704217	206358852
Total Liabilities							183111773	319896275
Capital Expenditure	-	1243734	-	-	-	894023	-	2137757
Depreciation	1878636	2532566	618288	7897392	656354	894248	3153278	11324206
Non-cash expenses other than depreciation	-	546669	-	-	-	292548	-	839217

Secondary Segment - Geographical by location of customers

	Sales Revenue		Carrying Amount of Segment Assets		Additions to Fixed Assets	
	(2008-2009)	(2007-2008)	(2008-2009)	(2007-2008)	(2008-2009)	(2007-2008)
India	1362622	-	183111773	284428654	-	2137757
Australia	-	75973	-	-	-	-
European Union	9701019	95387971	-	1030479	-	-
Canada & United States	1221273	18816171	-	840365	-	-
	12284914	114280115	183111773	286299498	-	2137757



NOTES:

a) Segment Assets and Liabilities :

All Segment Assets and liabilities are directly attributable to the segment. Segment assets include all operating assets used by the segment and consist principally of fixed assets, inventories, sundry debtors, advances and operating cash and bank balances. Segment assets and liabilities do not include investments, inter-corporate deposits and advances, share capital, reserves and surplus, borrowings, provision for gratuity, proposed dividend and income tax (both current and deferred).

b) Segment Revenue and Expenses :

Segment revenue and expenses are directly attributable to the segment. It does not include dividend income, profit on sale of investments, interest expense, other expenses which cannot be allocated on a reasonable basis and provision for income tax (both current and deferred).

9 Related Party Disclosures (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

a) Parties where control exists

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

b) Key Management Personnel

- i) Smt. Janaki Venkatramani, Director
- ii) Sri Ashok Kumar Sharma, Director (upto 26.03.2009)
- iii) Sri Beni Gopal Saraf, Director
- iii) Sri Mahesh Kumar Malpani, Director (w.e.f. 26.03.2009)

Note : Related Party Relationship is as identified by the Company and relied upon by the Auditors.

B) Transactions with Related Parties :

Particulars	Control		Key Management Personnel		Total	
	(2008-09)	(2007-08)	(2008-09)	(2007-08)	(2008-09)	(2007-08)
Receiving of Services	8874	1552230	—	—	8874	1552230
Managerial Remuneration & meeting fees	1483080	1166180	—	9000	1483080	1175180
Outstanding Debit /(Credit) Balances as on 31st March	—	(1576898)	—	—	—	(1576898)



HIMALAYA GRANITES LIMITED

10. BALANCE SHEET ABSTRACT AND GENERAL BUSINESS PROFILE AS AT & FOR THE YEAR ENDED 31ST MARCH, 2009

1 REGISTRATION DETAILS

REGISTRATION NO.	15161	STATE CODE :	18
BALANCE SHEET DATE	31/03/2009		

2 CAPITAL RAISED DURING THE YEAR

PUBLIC ISSUE	NIL	BONUS ISSUE	NIL
RIGHT ISSUE	NIL	PRIVATE PLACEMENT	NIL

3 POSITION OF MOBILISATION AND DEVELOPMENT OF FUNDS (Amount in Rs. Thousands)

TOTAL LIABILITIES	183112	TOTAL ASSETS	183112
SOURCE OF FUNDS		APPLICATION OF FUNDS	
PAID-UP-CAPITAL	30050	NET FIXED ASSETS	53830
RESERVES & SURPLUS	87654	INVESTMENTS	30000
SECURED LOANS	42143	NET CURRENT ASSETS	81926
UNSECURED LOANS	—	MISC. EXPENDITURE	—
DEFERRED TAX LIABILITES	5908		

4 PERFORMANCE OF COMPANY

TURNOVER	19653	PROFIT BEFORE TAX	(57839)
(INCLUDING OTHER INCOME)		PROFIT AFTER TAX	(58450)
TOTAL EXPENDITURE	77492	DIVIDEND RATE (%)	—
EARNING PER SHARE (IN Rs.)	(19.45)		

5 GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF COMPANY

ITEM CODE NO. (ITC) CODE	2516.90.90
PRODUCT DESCRIPTION	GRANITE MONUMENTS
ITEM CODE NO. (ITC) CODE	2516.11.00
PRODUCT DESCRIPTION	DIMENSIONAL GRANITE BLOCKS

Signatures to Schedules A to V

AS PER OUR ANNEXED REPORT OF EVEN DATE.

For **D. Dhandaria & Company**
Chartered Accountants

Janaki Venkatramani
Director

Shiv Prakash Mittal
Chairman

Naveen Kumar Dhandaria

Place : Kolkata

Partner

Prakash Kr. Biswal
Company Secretary

Ramesh Kumar Haritwal
Managing Director & CEO

Dated : 30th June, 2009

Membership No. 61127



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

	FOR THE YEAR ENDED 31ST MARCH, 2009		FOR THE YEAR ENDED 31ST MARCH, 2008	
	Rs.	Rs.	Rs.	Rs.
A. CASH FLOW ARISING FROM OPERATING ACTIVITIES:				
Net Profit before Tax and Extraordinary items		(57838952)		(31830221)
Add:				
a) Depreciation	3153278		11324206	
b) Interest	7484296		19839994	
c) Loss on Sale of Fixed Assets	265374		210147	
d) Gratuity	1709450		1066400	
		<u>12612398</u>		<u>32440747</u>
		(45226554)		610526
Less:				
a) Interest Income	6539195		9241900	
b) Profit on sale of investments	—		—	
c) Dividend Received	—	6539195	—	9241900
Operating Profit before Working Capital Changes		<u>(51765749)</u>		<u>(8631374)</u>
Less:				
a) Increase in Trade and Other Receivables	(75172581)		9106278	
b) Decrease in Inventories	(20853029)		(31780835)	
c) Decrease in Trade Payables	5571313	(90454297)	(1619684)	(24294241)
Cash Inflow (+)/Outflow (-) from Operations		(+) 38688548	(+) 15662867	
Add/Less:				
a) Interest Paid	7484296		19839994	
b) Gratuity Paid	5942300		1080247	
c) Income Tax Paid/refund received (-)	35000	13461596	250000	21170241
Net Cash Inflow (+)/Outflow (-) in course of Operating Activities		<u>(+) 25226952</u>		<u>(+) (5507374)</u>
B. CASH FLOW ARISING FROM INVESTING ACTIVITIES:				
INFLOW				
a) Sale of Fixed Assets	20231		905000	
b) Sale of Investments	2500000		0	
c) Interest Received	6539195	9059426	9241900	10146900
Less: OUTFLOW				
a) Acquisition of Fixed Assets	—		2137757	
b) Acquisition of Investments	—	—	—	2137757
Net Cash Inflow (+) / Outflow (-) in course of Investing Activities		<u>(+) 9059426</u>		<u>(+) 8009143</u>



HIMALAYA GRANITES LIMITED

	FOR THE YEAR ENDED 31ST MARCH, 2009		FOR THE YEAR ENDED 31ST MARCH, 2008	
	Rs.	Rs.	Rs.	Rs.
C. CASH FLOW ARISING FROM FINANCING ACTIVITIES:				
INFLOW				
a) Borrowings	(16866489)		2267108	
		<u>(16866489)</u>		<u>2267108</u>
DEDUCT : OUTFLOW				
a) Repayment of Borrowings	18643121		3983221	
b) Dividend & Corporate Dividend Tax Paid	<u>—</u>		<u>1406280</u>	
		18643121		5389501
Net Cash Outflow/(Inflow) in course of Financing Activities		<u>35509610</u>		<u>3122393</u>
Net Increase/ (Decrease) in Cash/Cash Equivalentents (A+B+C)		(1223232)		(620624)
ADD : Balance at the begining of the year		6913515		7534139
Cash / Cash Equivalentents at the close of the Year		<u>5690283</u>		<u>6913515</u>

AS PER OUR ANNEXED REPORT OF EVEN DATE.

For **D. Dhandaria & Company**
Chartered Accountants

Janaki Venkatramani
Director

Shiv Prakash Mittal
Chairman

Naveen Kumar Dhandaria

Partner

Prakash Kr. Biswal
Company Secretary

Ramesh Kumar Haritwal
Managing Director & CEO

Place : Kolkata

Dated : 30th June, 2009

Membership No. 61127



HIMALAYA GRANITES LIMITED

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

DP.ID*	
Client ID*	

PROXY FORM

Master Folio No.	
------------------	--

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 21st Annual General Meeting of the Company to be
held on Wednesday the 30th September, 2009 and at any adjournment thereof.

Signed this..... day of2009.

Full Name.....

Affix One Rupee Revenue Stamp
--

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

DP.ID*	
Client ID*	

ATTENDANCE SLIP

Master 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 21st Annual General Meeting being held at Himalaya Granites Limited, New No.29, Old No.12, No.3-B, Riaz Garden, Kodambakkam High Road, Nungambakkam, Chennai - 600 034

SIGNATURE OF THE MEMBER OR PROXY

★ Applicable for investors holding shares in electronic form.

BOOK-POST

**ANNUAL REPORT
2008-2009**

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16A, SHAKESPEARE SARANI

KOLKATA - 700 071