

## HIMALAYA GRANITES LIMITED

Regd. Office : Panchalam Village, Melpettai Post,  
Villupuram Dist., Tindivanam - 604 307, Tamilnadu, India.  
CIN : L13206TN1987PLC015161  
Telefax : 044-26693378  
E-mail : investors@hgl.co.in  
Website : www.hgl.co.in



# HIMALAYA GRANITES

HGL/2017-18  
September 27, 2017

### The Manager

BSE Limited  
Department of Corporate Services  
Floor 25, P. J. Towers, Dalal Street  
Mumbai - 400 001  
Fax No. 022-2272-3121/1278/1557/3354  
Email: [corp.relations@bseindia.com](mailto:corp.relations@bseindia.com)

BSE Scrip Code: 513723

### Sub: Annual Report for the Financial Year 2016-17

Dear Sir/ Madam,

Pursuant to the Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are forwarding herewith a copy of Annual Report of the Company for the financial year 2016-17 duly approved and adopted by the Members of the Company, at the 29<sup>th</sup> Annual General Meeting (AGM) of the Company held on Monday, September 25, 2017 at the Registered Office of the Company at Panchalam Village, Melpettai Post, Tindivanam, Tamil Nadu – 604 307.

This is for your information and records.

*Thanking You,  
Yours faithfully,*

For HIMALAYA GRANITES LIMITED

**HARIOM PANDEY  
COMPANY SECRETARY**



Encl: As above

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**ANNUAL  
REPORT  
2016-17**

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**HIMALAYA GRANITES LIMITED**



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Saurabh Mittal, Non-Executive Chairman  
 Mr. Ramesh Kumar Haritwal, Managing Director & CEO  
 Mr. Beni Gopal Saraf, Independent Director  
 Mr. Mahesh Kumar Malpani, Independent Director  
 Mr. Pradip Manharlal Domadia, Independent Director  
 Ms. Mathangi Ramanujam, Non-Executive Director

### AUDIT COMMITTEE

Mr. Mahesh Kumar Malpani, Chairman  
 Mr. Ramesh Kumar Haritwal  
 Mr. Beni Gopal Saraf

### NOMINATION & REMUNERATION COMMITTEE

Mr. Pradip Manharlal Domadia, Chairman  
 Mr. Mahesh Kumar Malpani  
 Mr. Beni Gopal Saraf

### STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mr. Beni Gopal Saraf, Chairman  
 Mr. Mahesh Kumar Malpani

### COMPANY SECRETARY

Mr. Hariom Pandey

### STATUTORY AUDITORS

M/s. D. Dhandaria & Company  
 Chartered Accountants  
 Thana Road, Tinsukia, Assam - 786125

### REGISTERED OFFICE

Panchalam Village, Melpettai Post  
 Tindivanam, Tamil Nadu - 604 307  
 CIN: L13206TN1987PLC015161  
 Telefax: 044-26693378  
 Website: www.hgl.co.in  
 Email: investors@hgl.co.in

### REGISTRARS & SHARE TRANSFER AGENT

M/s. S.K. Infosolutions Pvt. Ltd.  
 34/1A, Sudhir Chatterjee Street  
 Kolkata - 700 006  
 Phone : (033)2219-4815/6797  
 Fax : (033) 2219-4815

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**DIRECTORS' REPORT** for the Financial Year 2016-17

Dear Shareholders,

Your Directors have the pleasure in presenting the 29<sup>th</sup> Annual Report on the business and operations of the Company and the Audited Financial Statements of the Company for the financial year ended March 31, 2017.

**1. FINANCIAL HIGHLIGHTS**

(Amount in ₹)

Particulars	2016-17	2015-16
Revenue from Operations	79,800	78,600
Other Income	70,27,511	86,28,022
Profit/(Loss) before Finance Cost, Depreciation & Amortization Expenses and Tax Expenses	(87,86,740)	27,63,602
Less :		
a) Finance Cost	-	-
b) Depreciation & Amortization Expenses	14,80,740	15,07,762
<b>Profit/(loss) before tax</b>	<b>(1,02,67,480)</b>	<b>12,55,840</b>
Exceptional Item	-	-
Extraordinary Item	-	(15,91,289)
<b>Profit/(loss) before tax</b>	<b>(1,02,67,480)</b>	<b>(3,35,449)</b>
Provision for Tax	-	-
Income Tax for earlier years	-	-
Deferred Tax Release	-	-
<b>Profit/(loss) for the year</b>	<b>(1,02,67,480)</b>	<b>(3,35,449)</b>
Balance Brought Forward from earlier years	(2,35,09,528)	(2,31,74,079)
Adjustment of depreciation on reassessment of useful lives of tangible assets	-	-
<b>Balance carried to Balance Sheet</b>	<b>(3,37,77,008)</b>	<b>(2,35,09,528)</b>

**2. STATE OF AFFAIRS OF THE COMPANY AND FUTURE OUTLOOK**

During the year under review, your Company continued to let out part of its factory sheds and office space. The closure of the Company's unit has posed a challenge for the Company to resume operation. Your Directors are exploring alternate avenues to make the Company operative.

**3. DIVIDEND**

Considering the loss incurred in the current financial year and accumulated losses, your Directors have not recommended any dividend for the financial year under review.

**4. SUBSIDIARIES AND ITS PERFORMANCE**

Your Company had no subsidiaries, Joint Venture or Associate Company during the year under review.

**5. TRANSFER TO GENERAL RESERVE**

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

**6. BOARD OF DIRECTORS**

Your Company has received declarations from all the Independent Directors viz. Mr. Mahesh Kumar Malpani [DIN:



02603222], Mr. Beni Gopal Saraf [DIN: 00267858] and Mr. Pradip Manharlal Domadia [DIN: 05292129] confirming that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Ms. Mathangi Ramanujam [DIN: 07095686], Non-Executive Director of the Company, will retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible offers herself for re-appointment. The Board recommends her re-appointment at the ensuing AGM.

During the financial year 2016-17, there was no change in the composition of Board of Directors of the Company. None of the Directors of your Company is disqualified under the provisions of Section 164(2)(a) & (b) of the Companies Act, 2013.

## 7. CHANGES IN SHARE CAPITAL

During the year under review, there was no change in the Share Capital of the Company.

## 8. KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Hariom Pandey, Member of the Institute of Company Secretaries of India, was appointed as Company Secretary of the Company by the Board of Directors at their meeting held on August 11, 2016 on Recommendation of Nomination & Remuneration Committee of the Company. There was no further appointment or resignation of Key Managerial Personnel (KMP) during the year under review.

As on March 31, 2017 the Company has the following KMPs:

1. Mr. Ramesh Kumar Haritwal (Managing Director & CEO)
2. Mr. Hariom Pandey (Company Secretary)

## 9. MEETINGS OF THE BOARD

During the financial year 2016-17, four (4) meetings of the Board of Directors of the Company were held on May 28, 2016, August 11, 2016, November 11, 2016 and February 14, 2017. The Composition of the Board of Directors and their attendances at the Board Meetings during 2016-17 were as below:

Name of the Directors and Director Identification Number [DIN]	Category of Directorship	No. of Board Meetings	
		Held	Attended
Mr. Saurabh Mittal [DIN:00273917]	Non-Executive Chairman, Promoter Director	4	2
Mr. Ramesh Kumar Haritwal [DIN:01486666]	Managing Director & CEO	4	4
Mr. Beni Gopal Saraf [DIN:00267858]	Non-Executive- Independent Director	4	4
Mr. Mahesh Kumar Malpani [DIN:02603222]	Non-Executive- Independent Director	4	4
Mr. Pradip Manharlal Domadia [DIN:05292129]	Non- Executive- Independent Director	4	4
Ms. Mathangi Ramanujam [DIN: 07095686]	Non-Executive Director	4	4

## 10. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25(3)&(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors in their meeting held on March 31, 2017 have evaluated the Performance of Non-Independent Directors, Chairperson of the Company after considering the views of the Executive and Non-Executive Directors, Board as a whole and assessed the quality, quantity and timely flow of information between the Company's Management and the Board. The Nomination & Remuneration Committee has also carried out evaluation of performance of every Director of the Company. On the basis of evaluation made by



the Independent Directors and the Nomination & Remuneration Committee and by way of individual and collective feedback from the Non-Independent Directors, the Board has carried out the annual performance evaluation of the Directors individually as well as evaluation of the working of the Board as a whole and Committees of the Board.

The criteria for evaluation are outlined below:

**a. For Independent Directors:**

- Knowledge and Skills
- Professional conduct
- Duties, role and functions
- Compliance with Code of Business Ethics and Code of Conduct of the Company
- Rendering independent and unbiased opinion and judgements
- Attendance and active participation in meetings of Board and Committees of the Board and Members of the Company
- Assistance in implementing corporate governance practices
- Updation of skills and knowledge
- Information regarding external environment
- Raising of concerns, if any, to the Board
- Study of agenda in depth prior to Meeting
- Contribution towards the formulation and implementation of strategy for achieving the goals of the Company

**b. For Executive & Non-Executive Directors:**

- Performance as Team Leader/Member
- Evaluating Business Opportunity and analysis of Risk Reward Scenarios
- Professional Conduct and Integrity
- Sharing of Information with the Board
- Attendance and active participation in the Board and Committee of the Board and Meetings of Members of the Company
- Whether difference of opinion was voiced in the meeting
- Whether Executive Directors were able to answer the queries raised by Independent Directors
- Compliance with Code of Business Ethics and Code of Conduct of the Company
- Assistance in implementing corporate governance practices
- Independent view on key appointments and strategy formulation
- Review of integrity of financial information and risk management
- Updation of skills and knowledge
- Information regarding external environment
- Raising of concerns, if any, to the Board
- Assistance in formulation of statutory and non-statutory policies for the Company
- Ensures implementation of decisions of the Board



- Ensures compliance with applicable legal and regulatory requirements
- Alignment of Company's resources and budgets to the implementation of the organization's strategic plan
- Creativity and innovations in creating new products
- Understanding of the business and products of the Company

**c. For Committees of the Board:**

- Adequate and appropriate written terms of reference
- Volume of business handled by the committee set at the right level?
- Whether the committees work in an 'inclusive' manner
- Effectiveness of the Board's Committees with respect to their role, composition and their interaction with the Board
- Are the committees used to the best advantage in terms of management development, effective decision, etc.
- Attendance and active participation of each member in the meetings
- Review of the action taken reports and follows up thereon

**d. For Board of Directors as a whole:**

- Setting of clear performance objectives and how well it has performed against them
- Contribution to the testing and development and strategy
- Contribution to ensuring robust and effective risk management
- Composition of the Board and its committees appropriate with the right mix of knowledge and skills sufficient to maximize performance in the light of future strategy
- Effectiveness of inside and outside Board relationship
- Responding to the problems or crises that have emerged
- Relationship between Board and its Committees and between committees themselves
- Communication with employees and others
- Updation with latest developments in regulatory environments and the market in which the Company operates
- Role and functioning of the Board on the matters pertaining to financial reporting and internal controls
- Contribution of the Board for ensuring that the Company is adhere to the statutory and regulatory compliances as applicable to the Company

The Directors expressed their satisfaction with the evaluation process.

## 11. AUDIT COMMITTEE

As on March 31, 2017, the Audit Committee of the Company comprises of three members with two Independent Directors namely Mr. Mahesh Kumar Malpani (Chairman) and Mr. Beni Gopal Saraf and one Executive Director namely Mr. Ramesh Kumar Haritwal, Managing Director & CEO as members. The Committee, *inter alia*, reviews the Internal Control System and reports of Internal Auditors and Compliance of various Regulations. The Committee also reviews the Financial Statements before they are placed before the Board. The brief terms of reference of the Committee and the details of the Committee meetings are provided herein below:

**Terms of reference for the Audit Committee:****Powers of Audit Committee**

The Audit Committee shall have powers, which should include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

**Role of Audit Committee**

The role of the Audit Committee shall include the following:

1. 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;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors except those which are specifically prohibited;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - ii. Changes, if any, in accounting policies and practices and reasons for the same;
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. Significant adjustments made in the financial statements arising out of audit findings;
  - v. Compliance with listing and other legal requirements relating to financial statements;
  - vi. Disclosure of any related party transactions;
  - vii. Modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized 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 or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;





11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. 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;
16. 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;
17. 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;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as may be referred to by the Board or mandated by regulatory provisions from time to time.

#### **Review of information by Audit Committee**

1. The Audit Committee shall mandatorily review the following information:
  - a. Management discussion and analysis of financial condition and results of operations;
  - b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - d. Internal audit reports relating to internal control weaknesses;
  - e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee; and
  - f. Statement of deviations:
    - i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulations 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
    - ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Meetings and attendance:**

During the financial year 2016-17, four (4) meetings of the Audit Committee were held on May 28, 2016, August 11, 2016, November 11, 2016 and February 14, 2017 and the attendances of the Committee Members were as under:

Name of the Committee Members	Category	No. of Meetings	
		Held	Attended
Mr. Mahesh Kumar Malpani	Non-Executive -Independent Director	4	4
Mr. Beni Gopal Saraf	Non-Executive -Independent Director	4	4
Mr. Ramesh Kumar Haritwal	Executive- Non- Promoter Director	4	4

**12. NOMINATION AND REMUNERATION COMMITTEE**

As on March 31, 2017, the Nomination and Remuneration Committee of the Company comprises of three Independent Directors namely Mr. Pradip Manharlal Domadia (Chairman) and Mr. Mahesh Kumar Malpani and Mr. Beni Gopal Saraf as members of the Committee. The brief terms of reference of the Committee and the details of the Committee meetings are provided herein below:

**Terms of reference for the Nomination and Remuneration Committee:**

1. To formulate criteria for:
  - a. determining qualifications, positive attributes and independence of a director;
  - b. evaluation of independent directors and the Board.
2. To devise and recommend policies on:
  - a. remuneration including any compensation related payments of the directors, key managerial personnel and other employees and recommend the same to the board of the Company;
  - b. board diversity laying out an optimum mix of executive, independent and non-independent directors keeping in mind the needs of the Company.
3. To identify persons who are qualified to:
  - a. become directors in accordance with the criteria laid down, and recommend to the Board the appointment and removal of directors;
  - b. be appointed in senior management in accordance with the policies of the Company and recommend their appointment to the HR Department and to the Board.
4. To carry out evaluation of the performance of every director of the Company.
5. To express opinion to the Board that a director possesses the requisite qualification(s) for the practice of the profession in case the services to be rendered by a director are of professional nature.
6. To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
7. To carry out such other business as may be required by applicable law or delegated by the Board or considered appropriate in view of the general terms of reference and the purpose of the Nomination and Remuneration Committee.

**Meetings and attendance:**

During the financial year 2016-17, two (2) meetings of the Nomination & Remuneration Committee were held on August 11, 2016 and March 31, 2017 and the attendances of the Committee Members were as under:

Name of the Committee Members	Category	No. of Meetings	
		Held	Attended
Mr. Pradip Manharlal Domadia	Non-Executive -Independent Director	2	2
Mr. Mahesh Kumar Malpani	Non-Executive -Independent Director	2	2
Mr. Beni Gopal Saraf	Non-Executive -Independent Director	2	2



### Summary on Nomination & Remuneration Policy of the Company

The Board of Directors has adopted the Remuneration Policy on the recommendation of the Nomination and Remuneration Committee in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Policy applies to all the “Executives” of the Company and is valid for all employment agreements entered into after the approval of the Policy and for changes made to existing employment agreements thereafter. In keeping with the provisions of Section 178, the remuneration structure of the Company comprises of fixed remuneration (including fixed supplements), performance-based remuneration (variable salary) such as pension schemes, where applicable, other benefits in kind and severance payment, where applicable, other benefits in kind and severance payment, where applicable. Further, the Policy states that the Non-Executive Directors and Independent Directors of the Company may receive remuneration only by way of fee and reimbursement of expenses for participation in meetings of the Board or Committee thereof and profit related commission, as may be permissible by the applicable law. Additionally, the Policy also lays down the overall selection criteria for the Executives of the Company which is based on broad heads such as competencies, capabilities, compatibility, strong interpersonal skills, commitment among others. The Policy also entitles Executives to a severance fee.

### 13. STAKEHOLDERS’ RELATIONSHIP COMMITTEE

As on March 31, 2017, the Stakeholders’ Relationship Committee of the Company consists of two Independent Directors namely Mr. Beni Gopal Saraf (Chairman) and Mr. Mahesh Kumar Malpani as member of the Committee. The brief terms of reference of the Committee and the details of the Committee meetings are provided herein below:

#### Terms of reference for the Stakeholder’s Relationship Committee:

- i. To ensure proper and timely attendance and redressal of grievances of security holders of the Company in relation to:
  - a. Transfer of shares,
  - b. Non-receipt of annual reports,
  - c. Non-receipt of declared dividend,
  - d. All such complaints directly concerning the shareholders / investors as stakeholders of the Company; and
  - e. Any such matters that may be considered necessary in relation to shareholders and investors of the Company.
- ii. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- iii. To review and / or approve applications for transfer, transmission, transposition and mutation of share certificates including issue of duplicate certificates and new certificates on split / sub-division / consolidation / renewal and to deal with all related matters.
- iv. To review and approve requests of dematerialization and rematerialisation of securities of the Company and such other related matters;
- v. Appointment and fixing of remuneration of RTA and overseeing their performance;
- vi. Review the status of the litigation(s) filed by/against the security holders of the Company;
- vii. Review the status of claims received for unclaimed shares;
- viii. Recommending measures for overall improvement in the quality of investor services;
- ix. Monitoring implementation and compliance with the Company’s Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 2015;



- x. Review the impact of enactments/ amendments issued by the MCA/ SEBI and other regulatory authorities on matters concerning the investors in general;
- xi. Such other matters as per the directions of the Board of Directors of the Company and/ or as required under Regulation 20 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, from time to time.

**Meeting and attendance :**

During the financial year 2016-17, two (2) meeting of Stakeholders' Relationship Committee were held on August 11, 2016 and March 31, 2017 and the attendances of Committee Members were as under:

Name of the Committee members	Category	No. of meetings	
		Held	Attended
Mr. Beni Gopal Saraf	Non-executive -Independent Director	2	2
Mr. Mahesh Kumar Malpani	Non-executive -Independent Director	2	2

The table below gives the number of Shareholders Complaints received, resolved and pending during the financial year 2016-17.

**Number of Complaints:**

Received	Resolved	Pending
Nil	Nil	Nil

**14. INDEPENDENT DIRECTORS AND THEIR MEETING**

There are three (3) Independent Directors in the Company as per following details:

Mr. Pradip Manharlal Domadia, [DIN:05292129]

Mr. Mahesh Kumar Malpani, [DIN:02603222]

Mr. Beni Gopal Saraf, [DIN:00267858]

During the year under review, one (1) meeting of Independent Directors was held on March 31, 2017, where all the Independent Directors of the Company were present.

**15. BUY BACK COMMITTEE**

The Board of Directors of the Company at their meeting held on October 10, 2015 constituted a Buy-back Committee for delegation of various powers required for giving effect to the buy-back of Equity Shares of the Company. The Buy-back Committee consists of three Directors from the Board as Members of the Committee- Mr. Ramesh Kumar Haritwal, Managing Director & CEO, Mr. Mahesh Kumar Malpani, Independent Director and Mr. Beni Gopal Saraf, Independent Director.

However, with the completion of buy-back of the Equity shares, the existence of the said Committee was no longer required and accordingly, during the year under review, the Buy-back Committee was dissolved by the Board of Directors at their meeting held on August 11, 2016. There was no meeting of the Committee held during the year under review prior to its dissolution.

**16. VIGIL MECHANISM**

Pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a 'Whistle Blower Policy' to establish Vigil Mechanism for Directors and employees to report genuine concerns has been framed. The policy is revised from time to time to realign it with applicable regulations or organisations suitability. This policy provides a platform to disclose information, confidentially



and without fear of reprisal or victimization, where there is reason to believe that there has been serious malpractice, fraud, impropriety, abuse or wrong doing within the Company. The Company ensures that no personnel have been denied access to the Audit Committee.

#### **17. RISK MANAGEMENT**

The Company is taking necessary steps to identify, assess, monitor and mitigate various risks to key business objectives. Major risks to be identified by the business and functions, if any, would be systematically addressed through mitigating actions on a continuous basis.

#### **18. STATEMENT IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Directors had laid down internal financial controls procedures to be followed by the Company which ensure compliance with various policies, practices and statutes. The Audit Committee of the Board, from time to time, evaluated the internal financial control of the Company with regard to-

1. Systems have been laid to ensure that all transactions are executed in accordance with management's general and specific authorization. There are well-laid manuals for such general or specific authorization.
2. Systems and procedures exist to ensure that all transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and to maintain accountability for aspects and the timely preparation of reliable financial information.
3. Access to assets is permitted only in accordance with management's general and specific authorization. No assets of the Company are allowed to be used for personal purposes, except in accordance with terms of employment or except as specifically permitted.
4. The existing assets of the Company are verified/checked at reasonable intervals and appropriate action is taken with respect to any differences, if any.
5. Proper systems are in place for prevention and detection of frauds and errors and for ensuring adherence to the Company's policies.

#### **19. CORPORATE SOCIAL RESPONSIBILITY**

During the year under review, the compliance under Section 135 of the Companies Act, 2013 was not applicable to the Company. Further, considering the financial and other factors, your company could not take any initiative in this regard.

#### **20. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

Related party transactions that were entered into during the financial year 2016-17, were on arm's length basis and were in ordinary course of business. The particulars of material related party transactions which were entered into on arm's length basis are provided in Form AOC- 2 as required under section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 which is annexed herewith as "Annexure-I". There are no materially significant related party transactions made by the Company which may have potential conflict with the interest of the Company.

#### **21. DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of the provisions of Section 134(3)(c) read with 134(5) of the Companies Act, 2013, the Directors state that:

- a) In preparation of the annual accounts for the financial year ended March 31, 2017, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;



- b) The Directors have selected such Accounting Policies as listed in Note 1 to the Financial Statements and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year as on March 31, 2017 and of the profit of the Company for that period;
- c) The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the annual accounts on a going concern basis;
- e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**22. MATERIAL CHANGES**

There have been no material changes and commitments affecting the financial position of the Company since the close of financial year i.e. March 31, 2017 and upto the date of this report. Further, it is hereby confirmed that there has been no change in the nature of business of the Company.

**23. PUBLIC DEPOSITS**

During the period under review, the Company did not invite or accept any deposits from the public in terms of Chapter V of the Companies Act, 2013.

**24. LISTING OF SHARES**

The Equity Shares of the Company are listed on the BSE Limited (BSE) with scrip code No. 513723. The Company confirms that the annual listing fees to the stock exchange for the financial year 2017-18 have been duly paid.

**25. LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

There are no loans granted, guarantees given and investments made during the year under review, covered under the provisions of Section 186 of the Companies Act, 2013.

**26. AUDITORS AND THEIR REPORT****(a) Statutory Auditors:**

As per the provisions of Section 139 of the Companies Act 2013, the term of office of M/s. D. Dhandaria & Company, Chartered Accountants [Firm Registration No. 306147E], as Statutory Auditors of the Company will conclude from the close of the forthcoming Annual General Meeting of the Company. The Board of Directors places on record its appreciation for the services rendered by M/s. D. Dhandaria & Company as the Statutory Auditors of the Company.

Subject to the approval of the Members, the Board of Directors of the Company has recommended the appointment of M/s. S Mahendra & Co., Chartered Accountants [ICAI Firm Registration Number: 307131E] as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013. Members' attention is drawn to a Resolution proposing the appointment of M/s. S Mahendra & Co., Chartered Accountants [ICAI Firm Registration Number: 307131E] as Statutory Auditors of the Company which is included at Item No.3 of the Notice convening the Annual General Meeting.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and, therefore, do not call for further clarification. The Auditor's Report for the Financial Year ended March 31, 2017 does not have any qualifications.

**(b) Secretarial Auditors:**

The Board of Directors of the Company at their meeting held on November 11, 2016 appointed Mr. Dilip Kumar Sarawagi, Practicing Company Secretary, Proprietor of M/s. DKS & Co., having office at 173, M.G. Road, 1<sup>st</sup> Floor, Kolkata-700007, to conduct Secretarial Audit for the financial year 2016-17. The Secretarial Audit Report in Form No.MR-3 for the financial year ended March 31, 2017 is annexed herewith as “**Annexure-II**”.

**(c) Cost Auditors:**

Your Company was not required to appoint Cost Auditor for the financial year ended March 31, 2017.

**(d) Internal Auditors:**

The Board of Directors has appointed M/s. AS & Associates, Cost Accountants, as Internal Auditors of the Company to carry out internal audit of the Company. The Audit Committee periodically reviews the Internal Audit report.

**27. RESPONSE TO AUDITORS' REMARKS**

There is no qualification, reservation, adverse remark or disclaimer by the Statutory Auditors in their report and hence no explanation or comments of the Board is required in this matter.

There is no qualification, reservation, adverse remark or disclaimer by the Secretarial Auditor in their Secretarial Audit Report except that the Secretarial Auditor has reported regarding *non-appointment of Chief Financial Officer by the Company as required under Section 203 of the Companies Act, 2013 and the Rules made thereunder.*

In respect of the said observation, it is stated that though, during the year under review, the Company has taken initiative to fill up the said vacancy caused by the resignation of the Chief Financial Officer during the financial year 2010-11, considering the gloomy financial positions and business outlook of the Company it was not possible for the Company to employ suitable candidate for the said vacancy during the year under review.

**28. EXTRACT OF ANNUAL RETURN**

The extract of Annual Return as required under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, is provided in Form No. MGT- 9 as “**Annexure-III**” to this report.

**29. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Owing to closure of manufacturing facility of the Company, no step was taken by the Company towards Conservation of energy and Technology Absorption during the year under review. Further, there was no foreign Exchange earnings and outgo during the year under review.

**30. PARTICULARS OF EMPLOYEES**

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as “**Annexure-IV**”.

**31. FRAUD REPORTING**

There was no fraud reported by the Auditors of the Company under Section 143(12) of the Companies Act, 2013, to the Audit Committee or the Board of Directors during the year under review.

**32. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

There is no employee in the Company during the year under review except Directors and KMPs and hence the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 were not applicable to the Company.

**33. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS/ TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S OPERATIONS IN FUTURE**

During the period under review, there were no significant and material orders passed by any regulator /court /tribunal impacting the going concern status and the Company's operations in future.

**34. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis Report for the financial year 2016-17, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given as a separate statement in the Annual Report.

**35. NON-APPLICABILITY OF CORPORATE GOVERNANCE REPORT AS PER THE SECURITIES AND EXCHANGE BOARD OF INDIA(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

Compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding Corporate Governance Report, is not mandatory to your Company presently. In view of the same, the Corporate Governance Report is not provided in the Annual Report.

**36. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT**

- (a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: **Nil**
- (b) Number of shareholders who approached the Company for transfer of shares from suspense account during the year: **Nil**
- (c) Number of shareholders to whom shares were transferred from suspense account during the year: **Nil**
- (d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: **Nil**
- (e) The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: **Not applicable**

**37. ACKNOWLEDGEMENT**

Your Directors place on record their sincere thanks and appreciation to financial institutions, vendors, clients, investors, Central Government, State Governments, other regulatory authorities and other stakeholders for their continuing support and Co-operation.

**For and on behalf of the Board of Directors**

Place: New Delhi  
Date: May 30, 2017

**Saurabh Mittal**  
**Non-Executive Chairman**  
[DIN: 00273917]





## Annexure-I

## Form No. AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil
2. Details of material contracts or arrangement or transactions at arm's length basis are given below:

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1.	Greenlam Industries Limited (Mr. Saurabh Mittal is Common Director, and holding more than 2% of Paid-up share capital in both the Companies)	Agreement in respect of immovable property of the Company	For the period of 11 months w.e.f. August 01, 2016	Monthly Rent of ₹ 4,20,000/-	28 <sup>th</sup> May, 2016	Nil

The Company has obtained approval of its shareholders by passing Special Resolution at the 26<sup>th</sup> Annual General Meeting of the Company held on September 30, 2014, in respect of the above said transaction for the financial year 2014-15 or thereafter with an increase in rent by 5% every year.

For and on behalf of the Board of Directors

Place: New Delhi  
Date: May 30, 2017

Saurabh Mittal  
Non-Executive Chairman  
[DIN: 00273917]



## Annexure-II

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> MARCH, 2017**

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To  
The Members of  
**HIMALAYA GRANITES LIMITED**  
Panchalam Village,  
Melpettai Post, Tindivanam,  
**TAMILNADU - 604 307**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HIMALAYA GRANITES LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017 complied with the applicable statutory provisions and adhered to good corporate practices and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(not applicable to the Company)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(not applicable to the Company)**
  - (e) The Securities Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(not applicable to the Company)**
  - (f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(not applicable to the Company)**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(not applicable to the Company)**
- VI) Other Laws applicable specifically to the Company:  
Due to the closure of the Company's unit the management confirms that there are no other Laws applicable specifically to the Company.



We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (j) The Listing Agreements entered into by the Company with BSE Limited and the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, as applicable.

**We report that** during the year under review, the Company has complied with the provisions of the Acts, rules, regulations and guidelines mentioned above except that the *Company has not appointed Chief Financial Officer* as required under Section 203 of the Companies Act, 2013 and the Rules made thereunder.

**We further report that** based on the information provided and the representation made by the Company taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes exist in the Company to monitor and ensure compliance with provisions of applicable laws.

**We further report that** Compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this audit since the same has been subject to review by statutory financial audit and other designated professionals.

**We further report that:**

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013 and rules made thereunder.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. As per the minutes of the meeting duly recorded and signed by the Chairman the decisions of the Board were unanimous and no dissenting views have been recorded.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

*for DKS & Co.*

Place: KOLKATA  
Date: 30<sup>th</sup> May, 2017

**DILIP KUMAR SARAWAGI**  
ACS: 13020 C. P. No.: 3090

**NOTE:**

This report is to be read with my letter of even date which is annexed as **Annexure A** and forms an integral part of this report.



**'Annexure A'**

To  
The Members of  
**HIMALAYA GRANITES LIMITED**  
Panchalam Village,  
Melpettai Post, Tindivanam,  
**TAMILNADU - 604 307**

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial audit reports based on the audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for my opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

*for DKS & Co.*

Place: KOLKATA  
Date: 30<sup>th</sup> May, 2017

**DILIP KUMAR SARAWAGI**  
ACS: 13020 C. P. No.: 3090



**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on March 31, 2017**

*[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014]*

**I. REGISTRATION & OTHER DETAILS:**

1	CIN	L13206TN1987PLC015161
2	Registration Date	DECEMBER 11, 1987
3	Name of the Company	HIMALAYA GRANITES LIMITED
4	Category/Sub-category of the Company	Public Company limited by shares
5	Address of the Registered office & contact details	Panchalam Village, Melpettai Post, Tindivanam, Tamil Nadu-604 307 Phone No.: 011-42791399 Fax No.: 044-26693378 Website: <a href="http://www.hgl.co.in">www.hgl.co.in</a> Email: <a href="mailto:investors@hgl.co.in">investors@hgl.co.in</a>
6	Whether listed company	Yes, Listed at BSE Limited
7	Name, Address & contact details of the Registrar & Share Transfer Agent	S. K. Infosolutions Private Limited 34/1A, Sudhir Chatterjee Street Kolkata – 700 006 Phone No.: (033) 2219-4815/6797 Fax No.: (033) 2219-4815 Website: <a href="http://www.skcinfo.com">www.skcinfo.com</a> Email: <a href="mailto:skcdilip@gmail.com">skcdilip@gmail.com</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code (2008) of the Product/service	% to total turnover of the company*
1	Letting out of immovable properties	68100	69.79 %
2	Credit Granting	64920	28.77 %

\* Figures have been stated on the basis of the gross turnover of the Company.

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

The Company has no subsidiary, holding and associate Company during the year under review.



IV. SHARE HOLDING PATTERN: [Equity Share Capital Breakup as percentage of Total Equity]

A) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 01, 2016]				No. of Shares held at the end of the year [As on March 31, 2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters &amp; Promoter Group</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	1716950	-	1716950	74.11	1716950	-	1716950	74.11	0.00
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	100	-	100	0.00	100	-	100	0.00	0.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(1):-</b>	<b>1717050</b>	<b>-</b>	<b>1717050</b>	<b>74.11</b>	<b>1717050</b>	<b>-</b>	<b>1717050</b>	<b>74.11</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRIs-Individual	-	-	-	-	-	-	-	-	-
b) Others-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A)= (A)(1) +(A)(2)</b>	<b>1717050</b>	<b>-</b>	<b>1717050</b>	<b>74.11</b>	<b>1717050</b>	<b>-</b>	<b>1717050</b>	<b>74.11</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



Category of Shareholders	No. of Shares held at the beginning of the year [As on April 01, 2016]				No. of Shares held at the end of the year [As on March 31, 2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	40805	3900	44705	1.93	92195	3900	96095	4.15	2.22
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	152027	77536	229563	9.91	144422	76536	220958	9.54	(0.37)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	273878	-	273878	11.82	231629	-	231629	10.00	(1.82)
<b>c) Others</b>									
Non Resident Indians	1386	-	1386	0.06	750	-	750	0.03	(0.03)
Trust	50202	-	50202	2.17	50302	-	50302	2.17	0.00
Foreign Company	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>518298</b>	<b>81436</b>	<b>599734</b>	<b>25.89</b>	<b>519298</b>	<b>80436</b>	<b>599734</b>	<b>25.89</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>518298</b>	<b>81436</b>	<b>599734</b>	<b>25.89</b>	<b>519298</b>	<b>80436</b>	<b>599734</b>	<b>25.89</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>2235348</b>	<b>81436</b>	<b>2316784</b>	<b>100.00</b>	<b>2236348</b>	<b>80436</b>	<b>2316784</b>	<b>100.00</b>	<b>-</b>

#### B) Shareholding of Promoters & Promoter Group

Sl. No.	Shareholders' Name	Category	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
			No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Mr. Saurabh Mittal	Promoter	1647600	71.12	-	1647600	71.12	-	0.00
2	Mr. Shiv Prakash Mittal	Promoter	12500	0.54	-	12500	0.54	-	0.00
3	Mr. Rajesh Mittal	Promoter	-	-	-	-	-	-	-
4	Mr. Shobhan Mittal	Promoter	-	-	-	-	-	-	-
5	Ms. Karuna Mittal	Promoter Group	28750	1.24	-	28750	1.24	-	0.00
6	Ms. Parul Mittal	Promoter Group	28100	1.21	-	28100	1.21	-	0.00
7	Greenply Leasing & Finance Private Limited	Promoter Group	100	0.00	-	100	0.00	-	0.00


**C) Change in Promoters & Promoter Group Shareholding**

Sl. No.	Particulars	Category	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	<b>Mr. Saurabh Mittal</b>	Promoter				
	At the beginning of the year		1647600	71.12	1647600	71.12
	Changes during the year		No Change during the year			
	At the end of the year			1647600	71.12	
2	<b>Mr. Shiv Prakash Mittal</b>	Promoter				
	At the beginning of the year		12500	0.54	12500	0.54
	Changes during the year		No Change during the year			
	At the end of the year			12500	0.54	
3	<b>Mr. Rajesh Mittal</b>	Promoter				
	At the beginning of the year		-	-	-	-
	Changes during the year		No Change during the year			
	At the end of the year			-	-	
4	<b>Mr. Shobhan Mittal</b>	Promoter				
	At the beginning of the year		-	-	-	-
	Changes during the year		No Change during the year			
	At the end of the year			-	-	
5	<b>Ms. Karuna Mittal</b>	Promoter Group				
	At the beginning of the year		28750	1.24	28750	1.24
	Changes during the year		No Change during the year			
	At the end of the year			28750	1.24	
6	<b>Ms. Parul Mittal</b>	Promoter Group				
	At the beginning of the year		28100	1.21	28100	1.21
	Changes during the year		No Change during the year			
	At the end of the year			28100	1.21	
7	<b>Greenply Leasing &amp; Finance Private Limited</b>	Promoter Group				
	At the beginning of the year		100	0.00	100	0.00
	Changes during the year		No Change during the year			
	At the end of the year			100	0.00	

**D) Shareholding Pattern of top ten Shareholders:**
**[Other than Directors, Promoters & Promoter Group and Holders of GDRs and ADRs]:**

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>SUBRAMANIAN P</b>				
	At the beginning of the year	-	-	-	-
	Changes during the year:				
	Acquired 91990 Shares on 14.10.2016			91990	3.97
	At the end of the year			91990	3.97





Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	<b>SANJEEV KRISHNA BHALOTIA</b>				
	At the beginning of the year	72353	3.12	72353	3.12
	Changes during the year	No Change during the year			
	At the end of the year			72353	3.12
3	<b>MANJU BHALOTIA MANJU</b>				
	At the beginning of the year	62584	2.70	62584	2.70
	Changes during the year:				
	Transferred 8700 Shares on 06.01.2017			53884	2.33
	Transferred 1700 Shares on 24.03.2017			52184	2.25
	At the end of the year			52184	2.25
4	<b>SARVESH BUBNA TRUST</b>				
	At the beginning of the year	50202	2.16	50202	2.16
	Changes during the year	No Change during the year			
	At the end of the year			50202	2.16
5	<b>USHA POLYCHEM INDIA PVT LTD</b>				
	At the beginning of the year	-	-	-	-
	Changes during the year:				
	Acquired 37849 Shares on 30.09.2016			37849	1.63
	At the end of the year			37849	1.63
6	<b>PLYLAM ENTERPRISES PVT. LTD.</b>				
	At the beginning of the year	20250	0.87	20250	0.87
	Changes during the year	No Change during the year			
	At the end of the year			20250	0.87
7	<b>ALKESH GULAB WADHWANI</b>				
	At the beginning of the year	15102	0.65	15102	0.65
	Changes during the year	No Change during the year			
	At the end of the year			15102	0.65
8	<b>MONET SECURITIES PRIVATE LTD</b>				
	At the beginning of the year	11867	0.51	11867	0.51
	Changes during the year	No Change during the year			
	At the end of the year				0.51
9	<b>M.PRASAD &amp; CO LIMITED</b>				
	At the beginning of the year	-	-	-	-
	Changes during the year:				
	Acquired 8700 Shares on 06.01.2017			8700	0.38
	Acquired 1700 Shares on 24.03.2017			10400	0.45
	At the end of the year			10400	0.45
10	<b>URMILA DEVI GUPTA</b>				
	At the beginning of the year	-	-	-	-
	Changes during the year:				
	Acquired 200 Shares on 09.12.2016			200	0.01
	Acquired 526 Shares on 06.01.2017			726	0.03
	Acquired 999 Shares on 13.01.2017			1725	0.07



Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Acquired 942 Shares on 20.01.2017			2667	0.12
	Acquired 201 Shares on 27.01.2017			2868	0.12
	Acquired 1060 Shares on 03.02.2017			3928	0.17
	Acquired 466 Shares on 10.02.2017			4394	0.19
	Acquired 350 Shares on 17.02.2017			4744	0.20
	Acquired 220 Shares on 24.02.2017			4964	0.21
	Acquired 656 Shares on 03.03.2017			5620	0.24
	Acquired 1364 Shares on 10.03.2017			6984	0.30
	Acquired 136 Shares on 17.03.2017			7120	0.31
	At the end of the year			7120	0.31

Note: The above dates of transfers/acquisitions are based on the weekly Benpose provided by the Depositories/ Registrar & Share Transfer Agent.

**E) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>Mr. Saurabh Mittal, Non-Executive Chairman</b>				
	At the beginning of the year	1647600	71.12	1647600	71.12
	Changes during the year		No Change during the year		
	At the end of the year			1647600	71.12
2.	<b>Mr. Ramesh Kumar Haritwal, Managing Director &amp; CEO</b>				
	At the beginning of the year	200	0.01	200	0.01
	Changes during the year		No Change during the year		
	At the end of the year			200	0.01
3.	<b>Mr. Mahesh Kumar Malpani, Independent Director</b>				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Changes during the year		No Change during the year		
	At the end of the year			Nil	Nil
4.	<b>Mr. Beni Gopal Saraf, Independent Director</b>				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Changes during the year		No Change during the year		
	At the end of the year			Nil	Nil
5.	<b>Mr. Pradip Manharlal Domadia, Independent Director</b>				
	At the beginning of the year	700	0.03	700	0.03
	Changes during the year		No Change during the year		
	At the end of the year			700	0.03
6.	<b>Ms. Mathangi Ramanujam, Non-Executive Director</b>				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Changes during the year		No Change during the year		
	At the end of the year			Nil	Nil



Sl. No.	For each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7.	<b>Mr. Hariom Pandey, Company Secretary</b>				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Changes during the year	No Change during the year			
	At the end of the year			Nil	Nil

#### V) INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amount In ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	Nil	Nil	Nil	Nil
<b>Change in Indebtedness during the financial year</b>				
Addition	Nil	Nil	Nil	Nil
Reduction	Nil	Nil	Nil	Nil
<b>Net Change</b>	Nil	Nil	Nil	Nil
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	Nil	Nil	Nil	Nil


**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**
*(Amount In ₹)*

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	
		Mr. Ramesh Kumar Haritwal, Managing Director & CEO	
		Total Amount	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	16,23,360	16,23,360
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission - as % of profit - others	Nil Nil	Nil Nil
5	Others (Contribution to Provident Fund)	1,36,800	1,36,800
<b>Total (A)</b>		<b>17,60,160</b>	<b>17,60,160</b>
Ceiling as per the Act <sup>^</sup>		N.A.	N.A.

<sup>^</sup>During the year under review, the company had no profits. Hence, the above remuneration has been paid on the basis of effective capital of the Company as per Section 197 read with Schedule V of the Companies Act, 2013.

**B. Remuneration to other Directors**
*(Amount In ₹)*

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Saurabh Mittal, Non-Executive Chairman	Mr. Mahesh Kumar Malpani, Independent Director	Mr. Beni Gopal Saraf, Independent Director	Ms. Mathangi Ramanujam, Non-Executive Director	Mr. Pradip Manharlal Domadia, Independent Director	
1	Independent Directors						
	Fee for attending Board and committee meetings	N.A.	2500	2500	N.A.	2500	7500
	Commission	N.A.	Nil	Nil	N.A.	Nil	Nil
	Others, please specify	N.A.	Nil	Nil	N.A.	Nil	Nil
	<b>Total (1)</b>	<b>N.A.</b>	<b>2500</b>	<b>2500</b>	<b>N.A.</b>	<b>2500</b>	<b>7500</b>
2	Other Non-Executive Directors						
	Fee for attending board committee meetings	1000	N.A.	N.A.	2000	N.A.	3000
	Commission	Nil	N.A.	N.A.	Nil	N.A.	Nil
	Others	Nil	N.A.	N.A.	Nil	N.A.	Nil
	<b>Total (2)</b>	<b>1000</b>	<b>N.A.</b>	<b>N.A.</b>	<b>2000</b>	<b>N.A.</b>	<b>3000</b>
	<b>Total (B)=(1+2)</b>	<b>1000</b>	<b>2500</b>	<b>2500</b>	<b>2000</b>	<b>2500</b>	<b>10500<sup>^</sup></b>
Total Managerial Remuneration							17,70,660#
Overall Ceiling as per the Act							N.A.*

# Total remuneration to the Managing Director & CEO, and other directors (being the total of A & B).

\*During the year under review, the company had no profits. Hence, the above remuneration has been paid on the basis of effective capital of the Company as per Section 197 read with Schedule V of the Companies Act, 2013.

<sup>^</sup> The sum total of sitting fees does not include the amount of applicable Service Tax thereon.



## C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(Amount In ₹)

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel	Total Amount
		Mr. Hariom Pandey, Company Secretary	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,22,771	6,22,771
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission - as % of profit - others	Nil	Nil
		Nil	Nil
5	Others (Contribution to Provident Fund)	33,206	33,206
	<b>Total</b>	<b>6,55,977*</b>	<b>6,55,977</b>

\*Mr. Hariom Pandey was appointed on June 08, 2016 and designated as Company Secretary with effect from August 11, 2016, the remuneration reflects total remuneration received by him from the date of appointment.

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD /NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
<b>B. DIRECTORS</b>					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.

For and on behalf of the Board of Directors

Place: New Delhi  
Date: May 30, 2017

Saurabh Mittal  
Non-Executive Chairman  
[DIN: 00273917]



## Annexure-IV

**A. Particulars of employees for the year ended March 31, 2017 as required under Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014:**

- i. **The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 is as under:**

Sl. No.	Name of Director	Designation	Ratio of the remuneration of each director to the median remuneration of employees <sup>@</sup>
1.	Mr. Saurabh Mittal	Non-Executive Chairman	0.0015
2.	Mr. Ramesh Kumar Haritwal	Managing Director & CEO	2.6833
3.	Mr. Beni Gopal Saraf	Independent Director	0.0038
4.	Mr. Mahesh Kumar Malpani	Independent Director	0.0038
5.	Mr. Pradip Manharlal Domadia	Independent Director	0.0038
6.	Ms. Mathangi Ramanujam	Non-Executive Director	0.0030

<sup>@</sup>There was only one permanent employee in the payroll of the Company namely Mr. Hariom Pandey, who was appointed during the financial year 2016-17. Accordingly, remuneration received by Mr. Hariom Pandey has been considered for calculating the ratio of remuneration of each Director to the median remuneration of employee for the aforesaid purpose.

- ii. **The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17**

Sl. No.	Name of Director/KMP	Designation	% increase in Remuneration in the financial year 2016-17*
1.	Mr. Saurabh Mittal	Non-Executive Chairman	100 <sup>^</sup>
2.	Mr. Ramesh Kumar Haritwal	Managing Director & CEO	3.14
3.	Mr. Beni Gopal Saraf	Independent Director	(16.67) <sup>^</sup>
4.	Mr. Mahesh Kumar Malpani	Independent Director	(16.67) <sup>^</sup>
5.	Mr. Pradip Manharlal Domadia	Independent Director	(16.67) <sup>^</sup>
6.	Ms. Mathangi Ramanujam	Non-Executive Director	(20) <sup>^</sup>
7.	Mr. Hariom Pandey	Company Secretary	N.A.#

\* On entitlement basis.

<sup>^</sup> The Remuneration of Non- Executive Directors comprises of Sitting fees paid to them during the year under review. Further, there was no increase in per meeting sitting fees of Non- Executive Directors during the year under review, the above increase/decrease in remuneration was due to changes in number of meetings they attended during the financial year 2016-17.

# Mr. Hariom Pandey was appointed during the financial year 2016-17. Hence, comparative figures are not available.

- iii. **The percentage increase in the median remuneration of employees of the Company in the financial year:**

There were no permanent employees in the payroll of the Company during the financial year 2015-16. Hence, increase in the median remuneration of employees is not applicable.

- iv. **The number of permanent employees on the rolls of Company:**

As on March 31, 2017, there were 2 permanent employees on the rolls of Company viz. Mr. Ramesh Kumar Haritwal, Managing Director & CEO and Mr. Hariom Pandey, Company Secretary of the Company.

- v. **Average percentile of increase made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:** Not Applicable.

- vi. **Affirmation that the remuneration is as per the Remuneration Policy of the Company:**

It is hereby affirmed that the remuneration paid during the year ended March 31, 2017 is as per the Remuneration Policy of the Company.



**B. Particulars of employees for the year ended March 31, 2017 as required under Section 197 of the Companies Act, 2013 read with rule 5(2) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014:**

Sl. No.	Name of the employee	Age (years)	Designation	Remuneration Received (₹)	Qualification	Experience in years	Date of commencement of employment	Last employment
1.	Mr. Ramesh Kumar Haritwal	53	Managing Director & CEO	17,60,160.00	B.Com	25	31/05/2007	Greenply Industries Ltd.
2.	Mr. Hariom Pandey	28	Company Secretary	6,55,977.00	B.Com(H), CS, LLB	6	08/06/2016*	A2Z Infrastructure Ltd.

\*Mr. Hariom Pandey was designated as Company Secretary with effect from August 11, 2016.

**Notes:**

1. Remuneration shown above includes salary, allowances, cost of accommodation, medical reimbursement, contribution to provident fund, annual commission and other perquisites as per the terms of employment. However, the above remuneration does not include provision for gratuity and expenses towards club membership fees.
2. All the employees have requisite experience to discharge the responsibility assigned to them.
3. Nature and terms of employment are as per resolution/appointment letter.
4. None of the employees own 2% or more of the equity shares of the Company as on March 31, 2017

**For and on behalf of the Board of Directors**

Place: New Delhi  
Date: May 30, 2017

**Saurabh Mittal**  
**Non-Executive Chairman**  
[DIN: 00273917]



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **INDUSTRY STRUCTURE AND DEVELOPMENT**

During the year under review, your Company continued to let out part of its factory shed, situated at the registered office of the Company in the State of Tamil Nadu.

### **OPPORTUNITIES AND THREATS**

The management could not tap any opportunity during the year under review.

### **SEGMENT WISE PERFORMANCE**

The Company currently operates in only one Segment.

### **OUTLOOK**

Your Directors are exploring alternate avenues to make the Company operative.

### **RISK AND CONCERN**

The closure of the Company's unit has posed a challenge for the Company to resume operations.

### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

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

### **HUMAN RESOURCES DEVELOPMENT**

The production facilities of the Company continue to remain close since February 27, 2008 and there are no pending dues of its workers.

### **CAUTIONARY STATEMENT**

Certain statements in the Directors' report and management discussion and analysis reflecting the company's projections, estimates, objectives and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such projections, estimates, objectives and expectations due to economic and climatic conditions effecting government regulations, policies, taxations and other factors on which the Company does not have any direct control.

**For and on behalf of the Board of Directors**

Place: New Delhi  
Date: May 30, 2017

**Saurabh Mittal**  
**Non-Executive Chairman**  
[DIN: 00273917]





## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF HIMALAYA GRANITES LIMITED

#### REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of HIMALAYA GRANITES LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, and its loss and its cash flows for the year ended on that date.

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and 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 law have been kept by the Company so far as it appears from our examination of those books.



- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016.
- (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. There were no pending litigations which would impact the financial position in its financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 and the same are in accordance with books of account maintained by the Company and as produced to us by the Management (Refer Note 29).

For **D. DHANDARIA & COMPANY**

Chartered Accountants

ICAI Firm Reg. No. **306147E**

(Dindayal Dhandaria)

Partner

Membership No. **010928**

Place of Signature: New Delhi

Date : 30<sup>th</sup> May, 2017

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## **ANNEXURE 'A' REFERRED TO IN PARAGRAPH 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' OF OUR REPORT OF EVEN DATE**

### **RE: HIMALAYA GRANITES LIMITED ('THE COMPANY')**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but 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) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.



- (iv) In our opinion and according to the information and explanations given to us, in respect of loans, investments, guarantees, and securities, the Company has complied with the provisions of Section 185 and 186 of the Act.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, which apply to the Company.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.  
 (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding at the year end, for a period of more than six months from the date they became payable.  
 (c) According to the records of the Company, there were no dues outstanding of income-tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute.
- (viii) The Company has no dues to any bank, financial institution or government. It does not have any debentures.
- (ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans and hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed and according to the information and explanations given to us by the Management, no fraud on or by the Company has been noticed or reported by the Management during the year:
- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **D. DHANDARIA & COMPANY**  
 Chartered Accountants  
 ICAI Firm Reg. No. **306147E**

(Dindayal Dhandaria)

Partner

Membership No. **010928**

Place of Signature: New Delhi  
 Date : 30<sup>th</sup> May, 2017



## **ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF HIMALAYA GRANITES LIMITED**

### **REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")**

#### **To the Members of Himalaya Granites Limited**

We have audited the internal financial controls over financial reporting of HIMALAYA GRANITES LIMITED ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

#### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**OPINION**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**EXPLANATORY PARAGRAPH**

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of Company, which comprise the Balance Sheet as at March 31, 2017, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated 30 May, 2017 expressed an unqualified opinion thereon.

For **D. DHANDARIA & COMPANY**

Chartered Accountants

ICAI Firm Reg. No. **306147E**

(Dindayal Dhandaria)

Partner

Membership No. **010928**

Place of Signature: New Delhi

Date : 30<sup>th</sup> May, 2017

**Balance Sheet** as at 31<sup>st</sup> March, 2017

	Note No.	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
		₹	₹	₹	₹
<b>EQUITY AND LIABILITIES :</b>					
<b>Shareholders' Funds :</b>					
Share Capital	1	2,31,67,840		2,31,67,840	
Reserves and Surplus	2	3,70,52,920		4,73,20,400	
			6,02,20,760		7,04,88,240
<b>Non-current Liabilities :</b>					
Long-Term Provisions	3		5,14,338		2,86,729
<b>Current Liabilities :</b>					
Trade Payables	4		-		7,51,189
Other Current Liabilities	5		4,33,508		5,83,769
<b>TOTAL :</b>			<b>6,11,68,606</b>		<b>7,21,09,927</b>
<b>ASSETS :</b>					
<b>Non-Current Assets :</b>					
<b>Fixed Assets :</b>					
Tangible Assets	6		1,78,91,268		1,98,38,317
<b>Long-Term Loans and Advances :</b>	7		6,97,512		6,91,897
<b>Current Assets :</b>					
Inventories	8		-	1,02,893	
Trade Receivables	9		-	1,00,27,124	
Cash and Bank Balances	10	2,47,08,562		24,47,414	
Short-Term Loans and Advances	11	1,78,71,264		3,90,02,282	
			4,25,79,826		5,15,79,713
<b>TOTAL :</b>			<b>6,11,68,606</b>		<b>7,21,09,927</b>
Significant Accounting Policies					
See accompanying notes to the Financial Statements	1 to 30				

AS PER OUR ANNEXED REPORT OF EVEN DATE.

For **D. DHANDARIA & COMPANY**

Chartered Accountants

ICAI Firm Reg. No. **306147E****Dindayal Dhandaria**

Partner

Membership No. **010928****Saurabh Mittal**

Non-Executive Chairman

(DIN: 00273917)

**Ramesh Kumar Haritwal**

Managing Director &amp; CEO

(DIN : 01486666)

**Hariom Pandey**

Company Secretary

Place of Signature : New Delhi

Dated : 30<sup>th</sup> May, 2017



## Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2017

	Note No.	For the year ended 31 <sup>st</sup> March, 2017		For the year ended 31 <sup>st</sup> March, 2016	
		₹	₹	₹	₹
<b>INCOME :</b>					
Revenue Form Operations	12		79,800		78,600
Other Income	13		70,27,511		86,28,022
<b>Total Revenue</b>			<b>71,07,311</b>		<b>87,06,622</b>
<b>EXPENSES :</b>					
Changes in Inventories of Finished Goods, Stock in Process and Stock in Trade	14		-		1,96,500
Employees Benefits Expense	15		32,49,736		23,02,857
Depreciation	16		14,80,740		15,07,762
Other Expenses	17		1,26,44,315		34,43,663
<b>Total Expenses</b>			<b>1,73,74,791</b>		<b>74,50,782</b>
<b>Profit/(Loss) Before Extraordinary items and Tax</b>			<b>(1,02,67,480)</b>		<b>12,55,840</b>
Extraordinary Items	18		-		(15,91,289)
<b>Profit/(Loss) Before Tax</b>			<b>(1,02,67,480)</b>		<b>(3,35,449)</b>
<b>Tax Expense</b>					
Income tax for earlier years			-		-
Release of Deferred Tax			-		-
			-		-
<b>Profit/(Loss) for the Year</b>			<b>(1,02,67,480)</b>		<b>(3,35,449)</b>
<b>Earnings per Equity Share of face value of ₹ 10 each</b>	30				
Basic and Diluted (in ₹)			<b>(4.43)</b>		<b>(0.12)</b>
Significant Accounting Policies					
See accompanying notes to the Financial Statements	1 to 30				

AS PER OUR ANNEXED REPORT OF EVEN DATE.

For **D. DHANDARIA & COMPANY**  
Chartered Accountants  
ICAI Firm Reg. No. **306147E**

**Dindayal Dhandaria**  
Partner  
Membership No. **010928**

**Saurabh Mittal**  
Non-Executive Chairman  
(DIN: 00273917)

**Ramesh Kumar Haritwal**  
Managing Director & CEO  
(DIN : 01486666)

**Hariom Pandey**  
Company Secretary

Place of Signature : New Delhi  
Dated : 30<sup>th</sup> May, 2017

**Cash Flow Statement** for the year ended 31<sup>st</sup> March, 2017

	For the year ended 31 <sup>st</sup> March, 2017		For the year ended 31 <sup>st</sup> March, 2016	
	₹	₹	₹	₹
<b>A. CASH FLOW ARISING FROM OPERATING ACTIVITIES:</b>				
Net Profit before Tax and Extraordinary items		(1,02,67,480)		12,55,840
Add: a) Depreciation	14,80,740		15,07,762	
b) Loss on Sale/Discard of Fixed Assets	4,43,491		8,39,421	
		<u>19,24,231</u>		<u>23,47,183</u>
		(83,43,249)		36,03,023
Less: a) Interest Income	20,44,422		32,48,430	
b) Rental Income	49,60,000		48,63,840	
c) Profit on Sale of Fixed Assets	23,089		10,752	
		<u>70,27,511</u>		<u>81,23,022</u>
Operating Profit before Working Capital Changes		(1,53,70,760)		(45,19,999)
Less: Adjustments for :				
a) Trade and Other Receivables	(3,11,52,527)		(1,37,74,980)	
b) Inventories	(1,02,893)		(1,96,500)	
c) Trade Payables	6,73,841		3,41,130	
		<u>(3,05,81,579)</u>		<u>(1,36,30,350)</u>
Cash Inflow (+)/Outflow (-) from Operations		1,52,10,819		91,10,351
Less: Income Tax Paid/refund received (-)		-		-
Net Cash Inflow (+)/Outflow (-) in course of Operating Activities		<u>1,52,10,819</u>		<u>91,10,351</u>
<b>B. CASH FLOW ARISING FROM INVESTING ACTIVITIES:</b>				
<b>INFLOW</b>				
a) Sale of Fixed Assets	45,907		1,47,621	
b) Interest Received	20,44,422		32,48,430	
c) Rental Income	49,60,000		48,63,840	
		<u>70,50,329</u>		<u>82,59,891</u>
Net Cash Inflow (+) / Outflow (-) in course of Investing Activities		<u>70,50,329</u>		<u>82,59,891</u>





## Cash Flow Statement for the year ended 31<sup>st</sup> March, 2017

	For the year ended 31 <sup>st</sup> March, 2017		For the year ended 31 <sup>st</sup> March, 2016	
	₹	₹	₹	₹
<b>C. CASH FLOW ARISING FROM FINANCING ACTIVITIES:</b>				
<b>INFLOW</b>				
a) Borrowings	-	-	-	-
<b>DEDUCT : OUTFLOW</b>				
a) Buy Back of Equity Shares	-	2,06,46,480	-	2,06,46,480
b) Buy Back Expenses	-	15,91,289	-	15,91,289
		-		2,22,37,769
Net Cash Outflow/(Inflow) in course of Financing Activities		-		<b>2,22,37,769</b>
Net Increase/ (Decrease) in Cash/Cash Equivalents (A+B+C)		2,22,61,148		(48,67,527)
ADD : Balance at the beginning of the year		24,47,414		73,14,941
Cash / Cash Equivalents at the close of the Year		<b>2,47,08,562</b>		<b>24,47,414</b>

AS PER OUR ANNEXED REPORT OF EVEN DATE.

For **D. DHANDARIA & COMPANY**

Chartered Accountants

ICAI Firm Reg. No. **306147E**

**Dindayal Dhandaria**

Partner

Membership No. **010928**

**Saurabh Mittal**

Non-Executive Chairman

(DIN: 00273917)

**Ramesh Kumar Haritwal**

Managing Director & CEO

(DIN : 01486666)

**Hariom Pandey**

Company Secretary

Place of Signature : New Delhi

Dated : 30<sup>th</sup> May, 2017



## SIGNIFICANT ACCOUNTING POLICIES

### 1 DISCLOSURE OF ACCOUNTING POLICIES (AS – 1):

#### 1.01 Accounting concepts & Basis of Preparation :

The financial Statements are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as specified in the Company (Accounting Standards) Rules 2006 read with Rule 7(1) of the Companies (Accounts) Rules, 2014 and the provisions of the Companies Act, 2013. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Company's management evaluates all recently issued or revised accounting standards on an on-going basis.

The Normal Operating Cycle for the Company has been assumed to be of twelve months for classification of its various assets and liabilities onto "Current" and "Non-current".

#### 1.02 Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

### 2 VALUATION OF INVENTORIES (AS – 2):

**2.1** Stock of Raw Materials, Consumables and Stores and spare are valued at lower of cost or net realisable value. Cost represents purchase price and other costs for bringing inventories upto their present location and condition and is generally determined on weighted average basis.

**2.2** Finished goods are valued at lower of cost and net realisable value.

### 3 CASH FLOW STATEMENT (AS – 3):

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular revenue generating, financing and investing activities of the Company is segregated. Cash and cash equivalents in the balance sheet comprise cash at bank (excluding pledged term deposits), cash/cheques in hand and short term investments with an original maturity of three months or less.

### 4 CONTINGENCIES AND EVENTS OCCURRING AFTER BALANCE SHEET DATE (AS – 4):

Disclosure of contingencies as required by the accounting standard is furnished in the Notes on accounts.

### 5 DEPRECIATION (AS – 6):

Useful lives of Tangible Assets as notified in schedule II to the Companies Act, 2013 are as follows :

Buildings – 30 to 60 years

Plant & Equipments – 10 to 15 years

Electrical Fittings – 10 years

Furniture & Fixtures – 10 years

### 6 REVENUE RECOGNITION (AS – 9):

**6.1** Revenue from sale of goods and services rendered is recognized from passage of title which generally coincides with delivery of materials and rendering of services to the customers.



**6.2** Interest income is recognized from time proportion basis taking into account the amount outstanding and rate applicable.

**6.3** Rental income is recognised on accrual basis.

## **7 ACCOUNTING FOR FIXED ASSETS (AS – 10):**

Fixed assets are stated at cost less accumulated depreciation. Cost includes borrowing costs and all incidental expenditure net of CENVAT, Service Tax Input Credit and VAT input credit, wherever applicable.

## **8 EMPLOYEE BENEFITS (AS – 15):**

**8.1** Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

**8.2** 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 Statement of Profit and Loss.

## **9 RELATED PARTY DISCLOSURES (AS – 18):**

Disclosure of related parties as required by the accounting standard is furnished in the Notes on accounts.

## **10 EARNINGS PER SHARE (AS – 20):**

Basic earnings (loss) per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## **11 ACCOUNTING FOR TAXES ON INCOME (AS – 22):**

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.

## **12 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (AS – 29):**

**12.1** Provisions are made for present obligations arising as a result of past events.

**12.2** Contingent liabilities are not provided for but are disclosed by way of Notes on Accounts.

**12.3** Contingent assets are neither accounted for nor disclosed by way of Notes on Accounts.

## **13 VAT, SERVICE TAX & EDUCATION CESS**

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

**Notes to Financial Statements** for the year ended 31<sup>st</sup> March, 2017

	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
	Number	₹	Number	₹
<b>1. SHARE CAPITAL :</b>				
<b>1.1 Authorised</b>				
Equity Shares of ₹ 10 each	40,00,000	<u>4,00,00,000</u>	40,00,000	<u>4,00,00,000</u>
<b>1.2 Issued, Subscribed And Fully Paid up :</b>				
Equity Shares of ₹ 10 each	23,16,784	<u>2,31,67,840</u>	23,16,784	<u>2,31,67,840</u>
<b>1.3 The reconciliation of the number of shares outstanding</b>				
Equity Shares at the beginning of the year	23,16,784	2,31,67,840	30,05,000	3,00,50,000
Less : Shares bought back during the year (Refer note no.24)	-	-	6,88,216	68,82,160
<b>Total</b>	<b>23,16,784</b>	<b>2,31,67,840</b>	<b>23,16,784</b>	<b>2,31,67,840</b>

**1.4 Terms/Rights attached to the Equity Shares**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year, the company has not declared or recognized any dividend to equity shareholders

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. This distribution will be in proportion to the number of equity shares held by the shareholders.

**1.5 Name of The Shareholders holding more than 5% Shares**

	Number	%	Number	%
<b>Equity Shares</b>				
Saurabh Mittal	16,47,600	71.12	16,47,600	71.12

As per records of the Company, including its register of share holders/member and other declaration received from share holders regarding beneficiary interest if any, the above shareholding represents both legal and beneficial ownership of shares.

**1.6** The Company has not reserved any shares for issue under options and contracts/commitments for the sale of shares/disinvestment.

**1.7** The Company for the period of five years immediately preceding the date of Balance Sheet has:

- Not allotted any class of shares as fully paid pursuant to contract(s) without payment being received in cash.
- Not allotted fully paid up shares by way of bonus shares.
- Bought back 6,88,216 equity shares during the financial year 2015-16.



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2017

	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
	₹	₹	₹	₹
<b>2 RESERVES &amp; SURPLUS :</b>				
<b>Capital Reserve</b>				
Balance as per last Financial Statements		15,00,000		15,00,000
<b>Capital Redemption Reserve</b>				
Balance as per last Financial Statements	68,82,160		-	
Add : Transferred from General Reserve (Refer note no.24)	-	68,82,160	68,82,160	68,82,160
<b>Securities Premium Account</b>				
Balance as per last Financial Statements	62,35,680		2,00,00,000	
Less : Premium on buy back of Equity Shares (Refer note no.24)	-	62,35,680	1,37,64,320	62,35,680
<b>General Reserve</b>				
Balance as per last Financial Statements	5,62,12,088		6,30,94,248	
Less : Transferred to Capital Redemption Reserve (Refer note no.24)	-	5,62,12,088	68,82,160	5,62,12,088
<b>Surplus i.e. Balance in Statement of Profit &amp; Loss</b>				
Balance as per last Financial Statements	(2,35,09,528)		(2,31,74,079)	
Add/(Less) : Profit/(Loss) for the year	(1,02,67,480)	(3,37,77,008)	(3,35,449)	(2,35,09,528)
<b>TOTAL</b>		<b>3,70,52,920</b>		<b>4,73,20,400</b>
<b>3 LONG TERM PROVISIONS :</b>				
Provisions for Employee Benefits (unfunded)				
For Gratuity		5,14,338		2,86,729
<b>4 TRADE PAYABLES :</b>				
Dues to Micro and Small Enterprises (Refer Note No. 22)		-		-
Dues to Other than Micro and Small Enterprises		-		7,51,189
		-		<b>7,51,189</b>
<b>5 OTHER CURRENT LIABILITIES :</b>				
For Expenses		3,46,053		4,85,101
Statutory Dues		87,455		98,668
<b>Total</b>		<b>4,33,508</b>		<b>5,83,769</b>
<b>5.1</b> Amount due and outstanding to be credited to the Investor Education and Protection Fund ₹ Nil (Previous Year ₹ Nil)				


**Notes to Financial Statements** for the year ended 31<sup>st</sup> March, 2017

**6. FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	COST AS AT 01/04/2016	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	COST AS AT 31/03/2017	UPTO 31/03/2016	FOR THE YEAR	ADJUST- MENT	UPTO 31/03/2017	AS AT 31/03/2017	AS AT 31/03/2016
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>OWN ASSETS</b>										
<b>Tangible Assets</b>										
Land & Developments	11,32,849	-	-	11,32,849	-	-	-	-	11,32,849	11,32,849
Building (Factory)	3,30,76,910	-	50,008	3,30,26,902	2,19,44,663	10,52,914	40,126	2,29,57,451	1,00,69,451	1,11,32,247
Building (Others)	83,98,478	-	6,55,017	77,43,461	24,65,380	2,17,877	3,16,714	23,66,543	53,76,918	59,33,098
Plant & Equipments	1,81,13,446	-	14,29,324	1,66,84,122	1,65,60,979	2,06,055	13,57,262	1,54,09,772	12,74,350	15,52,467
Vehicles	-	-	-	-	-	-	-	-	-	-
Electrical Fittings	2,78,252	-	58,561	2,19,691	2,64,340	-	55,633	2,08,707	10,984	13,912
Furniture & Fittings	9,08,742	-	8,62,687	46,055	8,34,998	3,894	8,19,553	19,339	26,716	73,744
<b>Total</b>	<b>6,19,08,678</b>	<b>-</b>	<b>30,55,598</b>	<b>5,88,53,080</b>	<b>4,20,70,361</b>	<b>14,80,740</b>	<b>25,89,289</b>	<b>4,09,61,812</b>	<b>1,78,91,268</b>	<b>1,98,38,317</b>
<b>Previous Year's Total</b>	<b>7,90,64,431</b>	<b>-</b>	<b>1,71,55,753</b>	<b>6,19,08,678</b>	<b>5,67,42,062</b>	<b>15,07,762</b>	<b>1,61,79,463</b>	<b>4,20,70,361</b>	<b>1,98,38,317</b>	<b>-</b>

	As at 31 <sup>st</sup> March, 2017 ₹	As at 31 <sup>st</sup> March, 2016 ₹
<b>7 LONG TERM LOANS AND ADVANCES :</b>		
<b>Unsecured, Considered good</b>		
Security deposits	6,97,512	6,91,897
<b>8 INVENTORIES :</b>		
Finished Goods (lower of cost or net realisable value)	-	-
Stores and Spares (lower of cost or net realisable value)	-	1,02,893
	<u>-</u>	<u>1,02,893</u>
<b>9 TRADE RECEIVABLES :</b>		
<b>9.1 Outstanding for a period exceeding six months from due date</b>	-	97,82,127
Others	-	2,44,997
	<u>-</u>	<u>1,00,27,124</u>
<b>9.2 Secured, considered good</b>	-	-
Unsecured, considered good	-	1,00,27,124
<b>Total</b>	<u>-</u>	<u>1,00,27,124</u>
<b>10 CASH AND BANK BALANCES :</b>		
<b>Cash and Cash Equivalents</b>		
Balances with Banks	2,45,47,090	22,90,403
Cash on Hand	1,61,472	1,57,011
	<u>2,47,08,562</u>	<u>24,47,414</u>



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2017

	As at 31 <sup>st</sup> March, 2017 ₹	As at 31 <sup>st</sup> March, 2016 ₹
<b>11 SHORT-TERM LOANS AND ADVANCES</b>		
<b>Unsecured, Considered good</b>		
Sales Tax Advance	25,000	25,000
Security Deposit for Rented premises	1,80,000	1,80,000
Advance against purchases	40,18,406	43,69,406
Other Receivables	1,20,64,033	3,29,30,370
Prepaid expenses	74,893	6,89,718
TDS Receivable	15,08,932	8,07,788
<b>Total</b>	<b><u>1,78,71,264</u></b>	<b><u>3,90,02,282</u></b>

**Notes to Financial Statements** for the year ended 31<sup>st</sup> March, 2017

	For the year ended 31 <sup>st</sup> March, 2017 ₹	For the year ended 31 <sup>st</sup> March, 2016 ₹
<b>12 REVENUE FROM OPERATIONS :</b>		
Sale of Products	79,800	78,600
<b>13 OTHER INCOME :</b>		
Interest Received	20,44,422	32,48,430
Rent Received	49,60,000	48,63,840
Miscellaneous income	-	5,05,000
Profit on Sale of Fixed Assets	23,089	10,752
	<b>70,27,511</b>	<b>86,28,022</b>
<b>14 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS AND STOCK IN TRADE</b>		
<b>OPENING STOCK</b>		
Finished Goods	-	1,96,500
Goods in Process	-	-
	-	1,96,500
<b>CLOSING STOCK</b>		
Finished Goods	-	-
Goods in Process	-	-
	-	-
<b>Total</b>	<b>-</b>	<b>1,96,500</b>
<b>15 EMPLOYEES BENEFITS EXPENSE</b>		
Salary, Wages and Bonus	28,35,829	21,38,239
Contribution to Provident Fund and Employees' State Insurance	1,86,298	1,44,618
Gratuity	2,27,609	20,000
	<b>32,49,736</b>	<b>23,02,857</b>

**15.1 DISCLOSURES REGARDING EMPLOYEE BENEFITS :**

- i) **Defined Contribution Plan:** Employee benefits in the form of Provident Fund is considered as defined contribution plan and the contributions to Employees' Provident Fund Organisation established under The Employees' Provident Fund and Miscellaneous Provisions Act 1952 is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.
- ii) **Defined Benefit Plan:** Retirement benefits in the form of Gratuity are considered as defined benefit obligations and is provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. As the Company has not funded its liability, it has nothing to disclose regarding plan assets and its reconciliation.





## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2017

iii) As there is no change in number of employees as well as in their remuneration during the year, third party actuarial valuation has not been done at the year end and estimated provision has been considered.

	For the year ended 31 <sup>st</sup> March, 2017 ₹	For the year ended 31 <sup>st</sup> March, 2016 ₹
<b>iv) Net Employee Expense/(benefit):</b>		
Current service cost	60,216	20,000
Interest cost on benefit obligation	30,040	-
Expected return on plan assets	-	-
Net Actuarial (gains)/losses recognised in the year	1,37,353	-
<b>Total employer expenses</b>	<b>2,27,609</b>	<b>20,000</b>
<b>v) Actual return on plan assets</b>	<b>-</b>	<b>-</b>
<b>vi) Benefit Asset / (Liability):</b>		
Fair Value of Plan Assets	-	-
Defined benefit obligation	5,14,338	2,66,729
<b>Benefit Asset / (Liability)</b>	<b>(5,14,338)</b>	<b>(2,66,729)</b>
<b>vii) Movement in benefit liability:</b>		
Opening defined benefit obligation	2,86,729	2,66,729
Interest cost on benefit obligation	30,040	-
Current service cost	60,216	20,000
Actuarial (gains) / losses	1,37,353	-
Less: Benefits paid	-	-
<b>Closing benefit obligation</b>	<b>5,14,338</b>	<b>2,86,729</b>
<b>viii) Actuarial assumptions:</b>		
Mortality Table	IALM 2006-2008	IALM 2006-2008
Discount Rate (per annum)	7.50	8.25
Expected rate of return on plan assets (per annum)	-	-
Rate of escalation in salary (per annum)	6	5
Withdrawal rates (Varying between per annum depending upon the duration and age of the employees)	1% - 8%	1% - 8%
Para 132 of Accounting Standard 15 (revised 2005) does not require any specific disclosures except where expense resulting from compensated absence is of such size, nature or incidence that its disclosure is relevant under Accounting Standard 5 or Accounting Standard 18. In the opinion of the management the expense resulting from compensated absence is not significant and hence no disclosures are prepared under various paragraphs of AS 15 (revised 2005).		
<b>ix) Amount incurred as expense for defined contribution to Provident Fund is ₹ 186298 (Previous Year ₹ 144618).</b>		

**Notes to Financial Statements** for the year ended 31<sup>st</sup> March, 2017

	For the year ended 31 <sup>st</sup> March, 2017 ₹	For the year ended 31 <sup>st</sup> March, 2016 ₹
<b>16 DEPRECIATION</b>		
Depreciation	14,80,740	15,07,762
	<b>14,80,740</b>	<b>15,07,762</b>
<b>17 OTHER EXPENSES</b>		
Cost of Consumables sold	1,02,893	-
Rent	3,72,000	3,72,000
Rates and Taxes	1,58,976	1,58,976
Insurance Charges	20,346	19,219
Electricity charges	87,332	11,037
Repairs to Building	1,76,541	2,64,440
Printing and Stationery	42,485	50,814
Legal and Professional Fees	2,27,592	2,36,920
Directors sitting fees*	12,075	15,427
Security Service Charges	2,12,980	6,01,477
Annual Listing Fees	2,29,000	2,24,720
Auditors' Remuneration	1,10,963	1,13,298
Value of Assets Discarded	4,43,491	8,39,421
Bad Debts	98,72,124	-
Other General Expenses	5,75,517	5,35,914
	<b>1,26,44,315</b>	<b>34,43,663</b>
* Inclusive of Service tax		
<b>17.1 AUDITORS' REMUNERATION</b>		
As Auditors	85,000	85,000
For other Services	11,500	14,000
For Service Tax	14,463	14,298
	<b>1,10,963</b>	<b>1,13,298</b>
<b>17.2 CONTRIBUTION FOR CSR ACTIVITIES</b>		
The compliance of the requirement of section 135 of the Companies Act, 2013 is was not applicable to the Company during the current or previous year.		
<b>18. EXTRAORDINARY ITEMS</b>		
Extraordinary items are buy back expenses.		
<b>19. CONTINGENT LIABILITIES AND COMMITMENTS</b>		
<b>19.1 Contingent liabilities</b>		
a. Disputed Demand ₹ NIL (Previous Year ₹ NIL)		
<b>19.2 Commitments</b>		
a. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) ₹ Nil (Previous year ₹ Nil)		



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2017

- b. Uncalled liability on shares and other investments which are partly paid ₹ NIL (Previous year ₹ NIL)
- c. Other commitments ₹ NIL (Previous year ₹ NIL)

20. The figures for the previous period are re-classified/ re-arranged / re -grouped, wherever necessary so as to be in conformity with the figures of the current period's classification/disclosure.

21. Balances under Trade receivables, Trade Payables, Loans and Advances payable or receivable are subject to confirmation to be received from some of the parties.

### 22. INFORMATION REGARDING MICRO, SMALL AND MEDIUM ENTERPRISES

Based on the information /documents available with the Company, information as per the requirements of Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 are as under:

	For the year ended 31 <sup>st</sup> March, 2017 ₹	For the year ended 31 <sup>st</sup> March, 2016 ₹
i) Principal amount remaining unpaid to any supplier at the end of accounting year (including retention money against performance).	-	-
ii) Interest due on above	-	-
<b>Total of (i) &amp; (ii)</b>	-	-
iii) Amount of interest paid by the Company to the suppliers in terms of section 16 of the Act.	-	-
iv) Amount paid to the suppliers beyond due date during the year	-	-
v) Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	-	-
vi) Amount of interest accrued and remaining unpaid at the end of accounting year	-	-
vii) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-

### 23. SEGMENT REPORTING (AS - 17)

As there is neither more than one business segment nor more than one geographical segment, segment information as per AS - 17 is not required to be disclosed

24. The Board of Directors of the company vide resolution dated 10th October, 2015 approved buyback of 7,00,000 equity shares of ₹ 10/- each at a price not exceeding ₹ 30/- per share and total cost of buyback is restricted to ₹ 2,10,00,000/-. During the financial year 2015-16 the company bought back 6,88,216 equity shares at ₹ 2,06,46,480/- inclusive of premium of ₹ 1,37,64,320/-. The premium of ₹1,37,64,320/- is adjusted against securities premium account and capital redemption reserve of ₹ 68,82,160/- being the face value of shares bought back, created.

**Notes to Financial Statements** for the year ended 31<sup>st</sup> March, 2017**25. PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS MADE BY THE COMPANY:**

- a) Details of Loans : Nil
- b) Details of Investments : Nil
- c) Details of Guarantee Provided : Nil

**26. RELATED PARTY (Disclosure as per Accounting Standard AS - 18)****A) Related parties with whom transactions have taken place during the year****Key Managerial Personnel/Directors**

- i) Mr. Saurabh Mittal, Non - Executive Chairman
- ii) Mr. Ramesh Kumar Haritwal, Managing Director & CEO
- iii) Mr. Mahesh Kumar Malpani, Independent Director
- iv) Mr. Beni Gopal Saraf, Independent Director
- v) Mr. Pradip Manharlal Domadia, Independent Director
- vi) Ms. Mathangi Ramanujam, Non-executive Director
- vii) Mr. Hariom Pandey, Company Secretary

**Enterprise owned/influenced by Key managerial personnel or their relatives**

- i) Greenlam Industries Ltd.

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

**B) Transactions during the year :**

Particulars	Key Management Personnel		Enterprise owned/influenced by Key managerial personnel or their relatives	
	2016-17	2015-16	2016-17	2015-16
	₹	₹	₹	₹
<b>Received towards service rendered</b>				
Greenlam Industries Limited	-	-	49,60,000	47,25,000
<b>Remuneration paid</b>				
Mr. Ramesh Kumar Haritwal	17,60,160	17,06,636	-	-
Mr. Hariom Pandey	6,55,977	-		
<b>Meeting Fees</b>				
Mr. Saurabh Mittal	1,000	500	-	-
Mr. Mahesh Kumar Malpani	2,500	3,500	-	-
Mr. Beni Gopal Saraf	2,500	3,500	-	-
Mr. Pradip Manharlal Domadia	2,500	3,500	-	-
Ms. Mathangi Ramanujam	2,000	2,500	-	-

**27. CURRENT TAX**

In view of losses, provision for income tax is not considered necessary

**28. Figures have been rounded off to the nearest rupee.**



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2017

### 29. Information regarding Specified Bank Notes (SBN):

	Specified Bank Notes	Other Bank Notes	Total
Closing cash in hand as on 08 <sup>th</sup> November 2016	55,000	1,00,834	1,55,834
(+) Permitted receipts	-	50,000	50,000
(-) Permitted payments	-	57,154	57,154
(-) Amount deposited in Banks	55,000	-	55,000
Closing cash in hand as on 30 <sup>th</sup> December 2016	-	93,680	93,680

### 30. EARNINGS PER SHARE

For the year ended  
31<sup>st</sup> March, 2017

For the year ended  
31<sup>st</sup> March, 2016

#### a) Calculation of weighted average number of equity shares of ₹ 10 each

No of Shares at the beginning of the year	23,16,784	30,05,000
No. of share bought back on 05.02.2016	-	6,88,216
Total no. of equity shares outstanding at the end of the year	23,16,784	23,16,784
Equity shares outstanding for 365 days	23,16,784	-
Equity shares outstanding for 311 days	-	30,05,000
Equity shares outstanding for 55 days	-	23,16,784
Weighted average number of equity shares outstanding during the year	23,16,784	29,01,580
<b>b) Net Profit (after tax, available for equity shareholders)</b>	<b>₹ (1,02,67,480)</b>	<b>₹ (3,35,449)</b>
<b>c) BASIC AND DILUTED EARNINGS PER SHARE</b>		
(Face value ₹ 10 per share)	₹ (4.43)	₹ (0.12)

AS PER OUR ANNEXED REPORT OF EVEN DATE.

For **D. DHANDARIA & COMPANY**

Chartered Accountants

ICAI Firm Reg. No. **306147E**

**Dindayal Dhandaria**

Partner

Membership No. **010928**

**Saurabh Mittal**

Non-Executive Chairman

(DIN: 00273917)

**Ramesh Kumar Haritwal**

Managing Director & CEO

(DIN : 01486666)

**Hariom Pandey**

Company Secretary

Place of Signature : New Delhi

Dated : 30<sup>th</sup> May, 2017



*if undelivered please return to :*

**HIMALAYA GRANITES LIMITED**

(CIN : L13206TN1987PLC015161)

1501-05 NARAIN MANZIL, 23 BARAKHAMBA ROAD, NEW DELHI - 110001

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