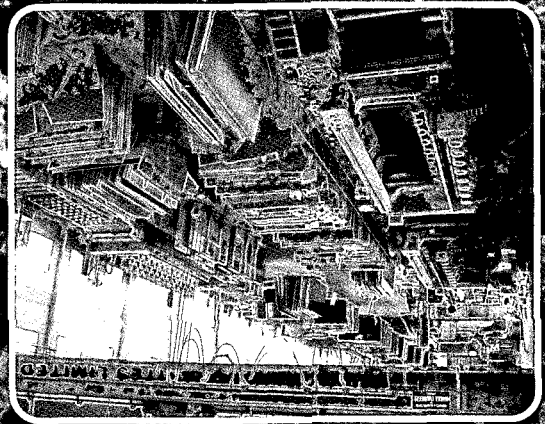
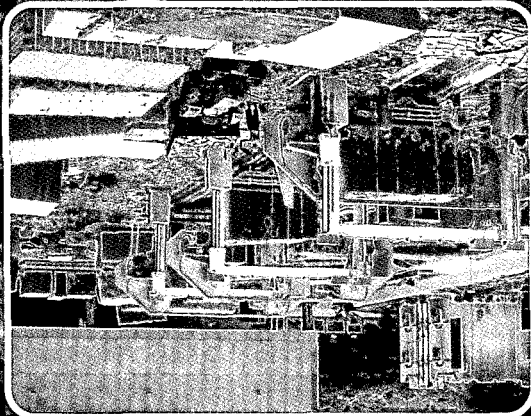
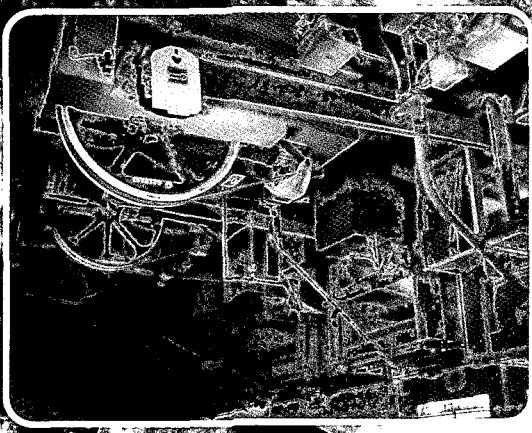
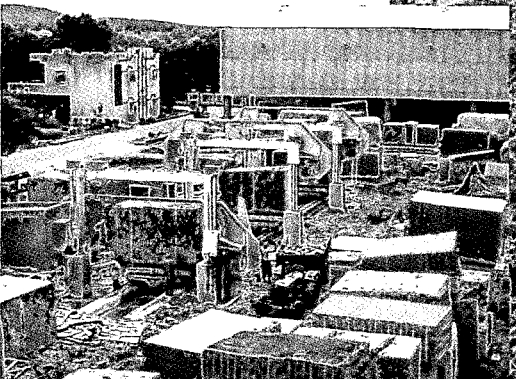
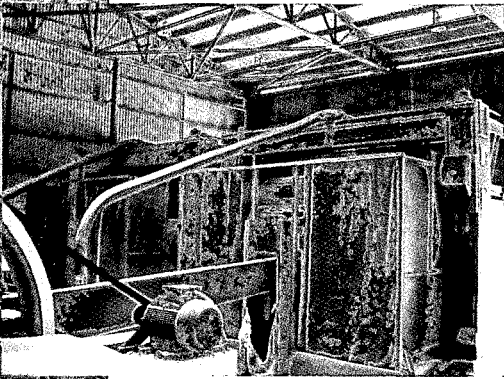
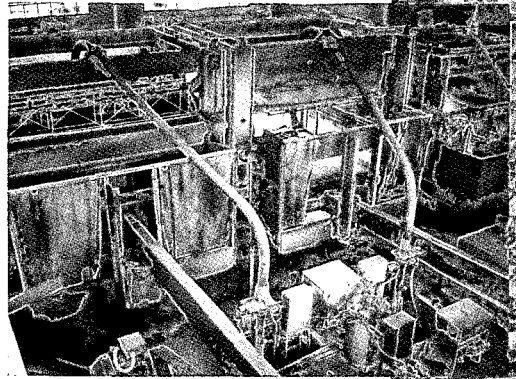
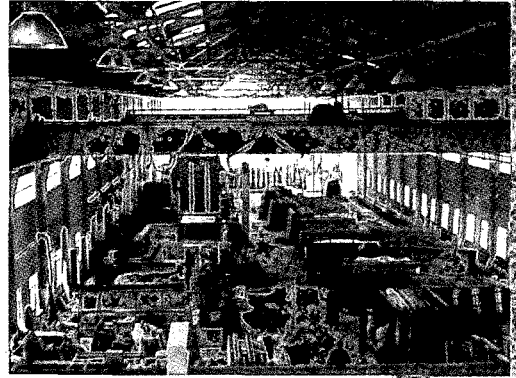
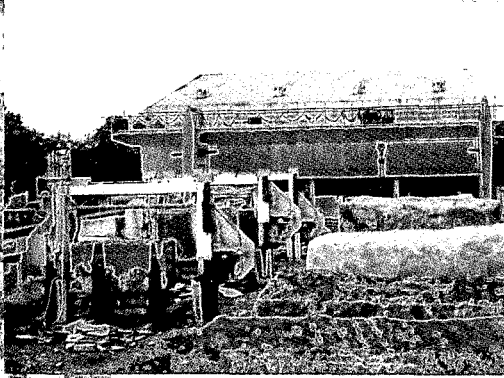


2008-2009  
18th Annual Report



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DIVYASHAKTI  
GRANITES LIMITED

**100% EOU**



**A PROMISE AS SOLID**

**BOARD OF DIRECTORS**

**Chairman**

Sri M. Ramakrishnayya IAS (Retd.)

**Managing Director**

Sri N.V. Rattaiah

**Executive Director**

Sri N. Hari Hara Prasad

**Directors**

Sri K. Gopi Raju

Sri T.H. Sastry

Sri T.V. Chowdary

Sri M.V. Subba Rao

Sri N.S.R. Chandrasekhara Rao

Sri N. Bhanu Prasad

**Auditors**

M/s. Rambabu & Co.

Chartered Accountants

31, Pancom Chambers

6-3-1090/1/A, Rajbhavan Road,

Somajiguda, Hyderabad - 500 482.

**BANKERS**

State Bank of Mysore

Andhra Bank

**Legal Advisor**

Sri Nallapati Lakshminarayana

**Factory**

**Unit-I:** Survey No. 432/1,  
Narsapur village,  
Medak District.

**Unit-II:** Survey No. 432/1(part) & 447  
Narsapur village,  
Medak District.

**NOTICE**

Notice is hereby given that the 18th Annual General Meeting of the Members of DIVYASHAKTI GRANITES LIMITED will be held on THURSDAY the 24th SEPTEMBER, 2009 at 11 a.m at THE INSTITUTION OF ENGINEERS, KHAIRATABAD, HYDERABAD - 500 004 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2009 and the Profit and Loss Account for the financial year ended 31st March, 2009 and the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Shri M. Ramakrishnayya, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri K. Gopi Raju, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri T.V. Chowdary, who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and in this regard to consider and if thought fit to pass, with or without modification, the following resolution as an ordinary resolution.

"RESOLVED THAT M/s Rambabu & Co., Chartered Accountants be and are hereby appointed as Auditors of the Company until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors exclusive of travelling & other out of pocket expenses".

**SPECIAL BUSINESS :**

7. To consider and if thought fit, to pass with or without modification, the following resolution as a special resolution:

"RESOLVED THAT pursuant to Sections 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 and Schedule XIII of the Companies Act, 1956 as amended, Sri N.V.Rattaiah, Managing Director of the Company be and is hereby re-appointed as Managing Director of the Company for a further period of 5 years from 01.09.2009 as per remuneration, terms and conditions cited below."

1. Managing Director shall carry out such duties as may be entrusted to him subject to the supervision and control of the Board and he shall also perform such other duties and services as shall be entrusted to him by the Board from time to time.
2. The re-appointment is for a period of five years from 1st September 2009.
3. The Managing Director shall be entitled to the following remuneration and perquisites:
  - a. Salary: Rs.62,500/- per month.

- b. Perquisites: Restricted to an amount equal to Annual Salary.

Perquisites are classified into three categories i.e., A, B and C and are as follows:

**CATEGORY - 'A'**

1. Housing :
  - a. The expenditure incurred by the Company on hiring furnished accommodation and will be subject to the following ceiling : 60 % of the salary over and above 10% payable by Sri N. V. Rattaiah.
  - b. In case the accommodation is owned by the Company, 10% of the salary of Sri N.V. Rattaiah shall be deducted by the Company.
  - c. In case no accommodation is provided by the Company, Sri N.V. Rattaiah shall be entitled to a House Rent Allowance subject to the ceilings laid down in (a) above. The expenditure incurred by the Company on gas, electricity, water and furnishings will be valued as per Income Tax Rules, 1962. This will, however, be subject to a ceiling of 10 % of the salary.
2. Medical Reimbursement :- One month salary in a year or three months salary over a period of three years for self and family.
3. Leave Travel Allowance :- Once in a year for self and family in accordance with the rules of the Company.
4. Club Fees :- Maximum of two clubs, admission fee and life membership not reimbursable.
5. Personal Accident Insurance /Medicclaim insurance as per the rules of the company.

**CATEGORY - 'B'**

Contribution to P.F., Superannuation fund or Annuity fund will not be included in the computation of the ceiling on perquisites to the extent, either singly or put together are not taxable under the Income-Tax Act, 1961. Gratuity payable shall not exceed half a month's salary for each completed year of service.

**CATEGORY - 'C'**

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed to Sri N. V. Rattaiah by the Company.

"RESOLVED FURTHER THAT power is also being taken in terms of this resolution to the Board to effect any variations, alterations or modifications in future in respect of the appointment and remuneration of Sri N. V. Rattaiah within the limits specified in Schedule - XIII of the Companies Act, 1956 or any statutory modifications or re-enactments thereof as may be agreed to by the Board of Directors and Sri N.V.Rattaiah."

**Minimum Remuneration:**

Notwithstanding any thing contained herein , wherein any financial year during the currency of the tenure of Sri N. V. Rattaiah, the company has no profits or its profits are inadequate , the company will pay remuneration to him by way of salary, perquisites and allowances as specified above in terms of section II Part II of schedule XIII of the act.

## DIVYASHAKTI GRANITES LIMITED

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8. To consider and if thought fit, to pass with or without modification, the following resolution as a special resolution:

"Resolved that subject to Sections 269, 309, 311 and other applicable provisions of the Companies Act, 1956 and Schedule XIII of the Companies Act, 1956 as amended, Sri N. Hari Hara Prasad, be and is hereby re-appointed as Executive Director of the Company for a period of 5 years with effect from 01.09.2009 as per remuneration, terms and conditions cited below:

1. The Executive Director shall carry out such duties as may be entrusted to him subject to the supervision and control of the Managing Director and the Board and he shall also perform such other duties and services as shall be entrusted to him by the Managing Director and the Board from time to time.
2. The reappointment is for a period of five years from 1st September 2009.
3. The Executive Director shall be entitled to the following remuneration and perquisites :
  - a. Salary : Rs. 50,000/- per month.
  - b. Perquisites : Restricted to an amount equal to annual Salary.

Perquisites are classified into three categories i.e., A, B and C and are as follows :

### CATEGORY - 'A'

1. Housing :
  - a. The expenditure incurred by the Company on hiring furnished accommodation and will be subject to the following ceiling : 60 % of the salary over and above 10 % payable by Sri N. Hari Hara Prasad.

- b. In case the accommodation is owned by the Company, 10 % of the salary of Sri N. Hari Hara Prasad shall be deducted by the Company.

- c. In case no accommodation is provided by the Company, Sri N. Hari Hara Prasad shall be entitled to a House Rent Allowance subject to the ceilings laid down in (a) above. The expenditure incurred by the Company on gas, electricity, water and furnishings will be valued as per Income Tax Rules, 1962. This will, however, be subject to a ceiling of 10 % of the salary.

2. Medical Reimbursement :- One month salary in a year or three months salary over a period of three years for self and family.
3. Leave Travel Allowance :- Once in a year for self and family in accordance with the rules of the Company.
4. Club Fees :- Maximum of two clubs, admission fee and life membership not reimbursable.
5. Personal Accident Insurance/Mediclaim insurance as per the rules of the company.
6. Reimbursement of school fees for two childrens.

### CATEGORY - 'B'

Contribution to P.F., Superannuation fund or Annuity fund will not be included in the computation of the ceiling on perquisites to the extent, either singly or put together, are not taxable under the Income-Tax Act, 1961. Gratuity payable shall not exceed half a month's salary for each completed year of service.

**CATEGORY - 'C'**

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed to Sri N. Hari Hara Prasad by the Company.

"RESOLVED FURTHER THAT power is also being taken in terms of this resolution to the Board to effect any variations, alterations or modifications in future in respect of the *appointment and remuneration of Sri N. Hari Hara Prasad* within the limits specified in Schedule - XIII of the Companies Act, 1956 or any statutory modifications or re-enactments thereof as may be agreed to by the Board of Directors and Sri N. Hari Hara Prasad."

**Minimum Remuneration:**

Notwithstanding any thing contained herein , wherein in any financial year during the currency of the tenure of Sri N. Hari Hara Prasad, the company has no profits or its profits are inadequate , the company will pay remuneration to him by way of salary, perquisites and allowances as specified above in terms of section II Part II of schedule XIII of the act.

For and on behalf of the Board

**N.V.RATTAIAH**  
Managing Director

Place : Hyderabad

Date : 30.05.2009

**NOTES**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the Company at its Registered Office not less than 48 hours before the commencement of the Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 18-09-2009 to 24-09-2009 (both days inclusive )
3. Subject to the provisions of Section 206A of the Companies Act, 1956, Dividend as recommended by the Board of Directors, if declared at the meeting, will be payable to those Members whose names appear on the Register of Members as on 24.09.2009.
4. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto and forms part of this Notice.

**ANNEXURE TO NOTICE:**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.**

**Item No. 7**

Sri N.V. Rattaiah, is BE Civil with over 47 years of versatile experience in real estate business, construction projects and granite business. He was appointed as Managing Director by the shareholders for a period of five years from 01.09.2004 and his term expires on 30th August, 2009.

Sri N.V. Rattaiah, Managing Director was re-appointed as Managing Director by the Board of Directors on 30.05.2009 for a period of five years with effect from 01.09.2009 as per the remuneration, terms and conditions mentioned in the resolution.

Approval of the Shareholders is required, hence the resolution as a special resolution. Except Sri N.V. Rattaiah, Sri N. Hari Hara Prasad, Sri N. Bhanu Prasad and Sri N. Sivarama Chandrasekhara Rao, no other Director is concerned or interested in this resolution.

**Item No. 8**

Sri N. Hari Hara Prasad, is B.E., Civil with over 22 years of versatile experience in civil constructions, and granite processing cum marketing sectors. He was appointed as Executive Director by the shareholders for a period of five years from 01.09.2004 as per the terms and conditions mentioned in the resolution.

Sri N. Hari Hara Prasad, Executive Director of the Company was re-appointed as Executive Director by the Board of Directors on 30.05.2009 for a period of 5 years with effect from 01.09.2009 as per the remuneration, terms and conditions mentioned in the resolution.

Approval of the Shareholders is required, hence the resolution as a special resolution. Except Sri N.V. Rattaiah, Sri N. Hari Hara Prasad, Sri N. Bhanu Prasad and Sri N. Sivarama Chandrasekhara Rao, no other Director is concerned or interested in this resolution.

By order of the Board

Place: Hyderabad  
Date : 30.05.2009

N. V. RATTIAH  
Managing Director.



## DETAILS OF DIRECTORS SEEKING REAPPOINTMENT AT THE ANNUAL GENERAL MEETING

Particulars	Shri M. Ramakrishnayya	Shri K. Gopi Raju	Shri T.V. Choudhary	Shri N.Y. Rattaiah	Shri N.H.H. Prasad
Date of Birth	2 <sup>nd</sup> February, 1920	8 <sup>th</sup> May 1931	1 <sup>st</sup> June 1943	31 <sup>st</sup> July 1941	15 <sup>th</sup> August 1966
Date of Appointment	11 <sup>th</sup> October 1993	25 <sup>th</sup> January 1993	28 <sup>th</sup> January 1993	4 <sup>th</sup> June 1991	4 <sup>th</sup> June 1991
Qualifications & Expertise	B.A. (Hons) Posts held before retirement Chief Secretary to Orissa Government. Post held after retirement Deputy Governor, Reserve Bank of India Chairman - NABARD	B.E. (Mech)  Worked as General Manager in BHEL.	M.E. (Mining) & MBA  Worked as a Director of Mines & Geology	B.E. Civil  47 Years of versatile experience in real estate Civil Construction Projects and Granite Business	B.E. Civil  22 Years of versatile experience in civil Constructions and Granite processing cum Marketing sectors
Directorship held in other Public Companies	Nil	Kobu Engineering Pvt. Ltd.	Pokarna Granites Ltd. Regency Ceramics Ltd. Trimex sands Pvt. Ltd. Regma Ceramics Ltd. Trimex Ores Pvt. Ltd. Trimex Industries Ltd.	Divyashakti Housing Constructions Ltd. Universal Marketing Agencies Pvt. Ltd. Universal Extrusions Pvt. Ltd.	Divyashakti Housing Constructions Ltd. Universal Marketing Agencies Pvt. Ltd.
Memberships/ Chairmanships of committees of other public companies (including only Audit and Shareholders Grievance Committee)	Nil	Nil	Audit Committee	Nil	Nil
Number of shares held in the Company	--	1500	--	359010	386307

**DIRECTORS' REPORT**

Dear Shareholders,

The Board of Directors of your Company have pleasure in presenting their 18th Annual Report and the Audited Statement of Accounts of the Company for the year ended 31st March, 2009.

**OPERATIONS**

2008-2009

Your Company has exported polished granite slabs and polished monuments valued at Rs.2634.03 lakhs to U.S.A. during the year under consideration.

The year closed on a positive note with export orders on hand to the tune of Rs.240 lakhs as compared to Rs.280 lakhs of last year. In spite of the problems faced by the Granite Industry, your company has managed to maintain substantial performance during the current year in the back ground of allround downward economic slide in the International Arena. The fall in sales is due to fall in demand and restrictive market for the product. Though the demand for granite has come down due to sub-prime crisis in U.S.A, the company could achieve reasonable turnover.

**FINANCIAL RESULTS**

	Year ended 31.03.2009 (Rs.in lakhs)	Year ended 31.03.2008 (Rs.in lakhs)
Sales	2634.03	3112.34
Gross Operating Profit	1471.11	609.69
Less: Interest	---	---
Profit before depreciation	1471.11	609.69
Profit after depreciation	1302.55	438.75
Profit after Tax	1164.75	359.40

**DIVIDEND**

Your Directors are pleased to recommend for your consideration a Dividend of 15% on the equity capital of the company for the financial year ended 31st March, 2009, aggregating an amount of Rs.153.42 lakhs.

**HUMAN RESOURCE MANAGEMENT, BRANDING AND QUALITY**

The Company has created a favourable work environment that encourages creativity, innovation and opportunity for growth. The Company is building up its image on timely scheduled deliveries and payments. The Company is a Member of Export Promotion Council and has been participating in the Annual fairs conducted.

The maintenance of good quality is one of the reasons for getting success in the global market. Various initiatives have been taken by your Company to take care of the quality standards at every stage.

**DEPOSITS**

The company did not accept any deposits within the meaning of section 58A of the Companies Act, 1956 and Rules made thereunder.

**AUDITORS**

M/s Rambabu & Co, Chartered Accountants, 31, Pancom Chambers, Rajbhavan Road, Hyderabad, retire at the conclusion of this Annual General Meeting and being eligible, offer their services for reappointment.

**DIRECTORS**

Shri M. Ramakrishnayya, Shri K. Gopi Raju and Shri T.V. Chowdary retire by rotation and being eligible, offer themselves for reappointment.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors declare that :

1) The Annual Accounts are prepared as per

the applicable accounting standards.

- 2) The accounting policies are applied to give a true and fair view of the State of Affairs of the Company for the year ended 31st March 2009 and Profit and Loss account for the period from April 2008 to March 2009.
- 3) Proper care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities. Internal Audit is being conducted by separate Internal Auditor.
- 4) The annual accounts have been prepared on a going concern basis.

### **RISK MANAGEMENT AND INSURANCE**

Your Company continuously monitors business and operational risk through business process, re-engineering and reviewing areas such as production, finance, legal and other issues. An exhaustive exercise is underway to bring a model regulating risk management mechanism. Your Company's assets are adequately insured against the risk from fire and earthquake.

### **CORPORATE GOVERNANCE**

As per Clause 49 of the Listing Agreement, a Report on Corporate Governance, forming part of this Report, together with the Auditors' Certificate regarding the compliance of the conditions of Corporate Governance is given in a separate section in the Annual Report.

### **PERSONNEL**

There are no employees whose particulars are required to be furnished pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (particulars of employees) Rules, 1975 as amended.

### **DISCLOSURE OF PARTICULARS:**

In accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, the required information relating to Conservation of Energy, Technology Absorption are provided in

the Annexure to this Report.

### **PAYMENT OF LISTING FEE**

At present the equity shares of the Company are listed on the Mumbai stock exchange at Mumbai. The company confirms that it has paid Annual Listing Fees due to the stock exchange, Mumbai for the year 2009-2010.

### **FOREIGN EXCHANGE EARNINGS AND OUTGO**

- a) Foreign  
Exchange Earnings : Rs.2634.03 Lakhs
- b) Foreign  
Exchange Outgo : Rs. 694.04 Lakhs

### **DEPOSITORY SYSTEM**

As the Members are aware, your Company's shares are tradeable compulsorily in electronic form and your Company has established connectivity with Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the depository system, the Members are requested to avail the facility of Dematerialization of the Company's shares on NSDL & CDSL. The ISIN allotted to the Company's Equity shares is INE410G01010

### **ACKNOWLEDGEMENTS**

Your Directors place on record their appreciation of the financial assistance and support extended by State Bank of Mysore. The Directors thank the shareholders for their continued confidence and trust placed by them with the Company. The Board also thanks all categories of employees of the Company for their dedicated and sincere services.

For and on behalf of the Board

**M. RAMAKRISHNAYYA, IAS (Retd)**  
CHAIRMAN

Place : Hyderabad  
Date : 30.05.2009.

**ANNEXURE TO THE DIRECTORS' REPORT:****FORM - A**

Form for disclosure of particulars with respect to Conservation of Energy, Technology Absorption:

**(A) Power and Fuel Consumption**

	<b>2008-09</b>	<b>2007-08</b>
<b>1. Electricity</b>		
<b>a) Purchased Units</b>	<b>1965771</b>	<b>2901866</b>
<b>Total Amount (Rs.in lakhs)</b>	<b>84.22</b>	<b>116.67</b>
<b>Average Cost/Unit (Rs./KWH)</b>	<b>4.28</b>	<b>4.02</b>
 <b>b) Own Generation</b>		
<b>Through Diesel Generator</b>		
<b>Total Units</b>	<b>167411</b>	<b>143671</b>
<b>Total Amount (Rs.in lakhs)</b>	<b>17.03</b>	<b>16.16</b>
<b>Units per litre of Diesel Oil</b>	<b>3.26</b>	<b>3.27</b>
<b>Average Cost/Unit (Rs./KWH)</b>	<b>10.17</b>	<b>11.25</b>
<b>(B) Technology Absorption</b>	<b>NIL</b>	<b>NIL</b>

**REPORT ON CORPORATE GOVERNANCE:****COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company attaches immense importance to good Corporate Governance as formulated by the Stock Exchanges/SEBI and other authorities in right earnest. It will be the endeavour of the Board of Directors that the Company is so governed as to maximize the benefits of all stakeholders i.e., shareholders, employees, customers, society and others.

**BOARD OF DIRECTORS**

The Board of Directors of the Company is composed of Nine (9) Directors, out of whom Two (2) are Whole-Time Directors. During the year under review, there were in all Four(4) meetings of the Board of Directors and the maximum time gap between any two board meetings was not more than three months and the following is the attendance of the Directors:

Sl. No.	Name of the Director	No.of Meetings attended	Whether attended the last AGM	No.of Directorships in other Boards.
1	Shri M.Ramakrishnayya	4	Yes	Nil
2	Shri N.V.Rattaiah	4	Yes	3
3	Shri K.Gopi Raju	4	Yes	1
4	Shri M.V.Subba Rao	2	No	Nil
5	Shri T.H.Sastry	4	Yes	Nil
6	Shri T.V.Chowdary	4	Yes	6
7	Shri N.S.R.C.Sekhar Rao	Nil	Yes	Nil
8	Shri N.Bhanu Prasad	2	Yes	1
9	Shri N.Hari Hara Prasad	3	Yes	2

The dates of Board Meetings held during the year under review are: 30.05.2008, 31.07.2008, 31.10.2008 and 31.01.2009.

**AUDIT COMMITTEE**

As per clause 49 of the Listing Agreement, the Board of Directors of the Company constituted Audit Committee consisting of the following Directors, with the role and responsibilities duly defined and in accordance with the applicable statutory and other requirements. During the year, in all, 4 meetings of the Committee took place and attendance thereat is as under:

Name of the Director		No. of Meetings attended	Remarks
Shri M.V.Subba Rao	Chairman	2	—
Shri N.S.R.C.Sekhara Rao	Member	4	—
Shri T.H.Sastry	Member	4	—

**REMUNERATION COMMITTEE**

The Board of Directors of the Company has constituted a Remuneration Committee consisting of the following Directors, with the role and responsibilities duly defined and in accordance with the applicable statutory and other requirements.

Shri M.Ramakrishnayya	Chairman
Shri K.Gopi Raju	Member
Shri T.H.Sastry	Member

**REMUNERATION OF DIRECTORS**

Other than whole-time Directors, no other Director receives any remuneration from the Company excepting Sitting Fees for attending the Board Meetings. The details of remuneration paid to the Managing and whole-time Directors is mentioned in Item No.13 of Notes to Accounts to the Balance Sheet of the Company.

**SHAREHOLDERS/INVESTORS GRIEVANCES**

The Company attaches utmost attention for resolving shareholders/ investors grievances/ complaints. Complaints received from shareholders/investors directly or through Stock Exchanges or SEBI are replied to immediately. There are no outstanding or unresolved complaints.

**NOTES ON DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT**

In accordance with the Provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri M. Ramakrishnayya, Shri K. Gopi Raju, and Shri T.V. Chowdary retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

**DISCLOSURES****Pecuniary disclosure with regard to interested Directors:-**

- a) Disclosures on materially significant related party transactions of the Company of material nature, with its promoters, the directors or

the management, their subsidiaries or relatives, that may have potential conflict with the interests of the Company at large.

None of the transactions with any of related parties was in conflict with interest of the Company.

- b) Details of non-compliance by the Company and the penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to Capital Markets during the last three years.

There were no instances of non-compliance of any matter related to Capital Market during the last three years.

**MEANS OF COMMUNICATION**

Quarterly/Half Yearly Financial Results of the Company are forwarded to the Mumbai Stock Exchange and published most of the times in Indian Express and Andhra Prabha. Half Yearly report is not sent to each household of shareholders as the results of the Company are published in the News papers.

- i) The results or official news were not displayed in any Website.
- ii) Company has not made any presentations to any Institutional investors/ analysts during the year.
- iii) Management Discussions & Analysis:

Your Company has identified USA, Germany and few other countries as its market areas for its export market, which has been growing steadily in the last few years. Your Company is one of the leading exporters of Granite Products and it expects to improve its position in future also.

The Company has the mechanism to combat the risks of exposure to Business, Assets and Financial Risks in the form of competition, accidents, natural calamities, obsolescence, fluctuations in foreign currency etc.

**GENERAL BODY MEETINGS**

The last three Annual General Meetings were held as under:

AGM No.	Location	Date	Time	Whether any special Resolutions were passed
15 <sup>th</sup> AGM	The Institution of Engineers, Khairatabad, Hyderabad.	27.09.2006	11.00 a.m	NO
16 <sup>th</sup> AGM	- DO -	27.09.2007	11.00 a.m	NO
17 <sup>th</sup> AGM	- DO -	27.09.2008	11.00 a.m	NO

**DEMATERIALIZATION OF SHARES**

If any of the shareholders have not yet dematerialized shares, they are advised to contact the National Securities Depository Services Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL)–ISIN-INE410G01010 for dematerializing the shares held by them in the Company.

**GENERAL SHAREHOLDER INFORMATION**

- a) Annual General Meeting : 18<sup>th</sup> AGM  
Date : 24<sup>th</sup> September, 2009  
Time : 11.00 a.m  
Venue : The Institution of Engineers  
Khairatabad, Hyderabad-500 004
- b) Financial Calender : 1st April to 31st March
- c) Date of Book Closure : 18-09-2009 TO 24-09-2009
- d) Dividend Payment Date : ON OR BEFORE 24.10.2009
- e) Registered Office : DIVYASHAKTI GRANITES LIMITED  
Divyashakti Complex, 3rd Floor, Flat Nos.301-304  
7-1-58, Ameerpet, HYDERABAD - 500 628.  
e-mail: info@divyashakti.com
- f) Listing on Stock Exchange : The Stock Exchange, Mumbai  
Phiroze Jeejeebhoy towers,  
Dalal Street, MUMBAI-400 001.
- g) International Securities Identification Number : INE410G01010
- h) Code/Symbol : BSE - 526315

**DIVYASHAKTI GRANITES LIMITED****i) Market Price Data**

Month	BSE		
	High (Rs.)	Low (Rs.)	No. of Shares
April, 08	25.00	20.55	28225
May, 08	24.35	20.00	41738
June, 08	24.45	19.85	28713
July, 08	23.00	18.50	16019
August, 08	29.50	20.55	141622
September, 08	27.40	16.50	52472
October, 08	20.00	12.65	15640
November, 08	19.00	13.80	12752
December, 08	17.90	12.80	10153
January, 09	16.90	13.00	7134
February, 09	16.60	13.37	8508
March, 09	16.75	14.10	16535

**j) Registrar & Share Transfer Agent:**  
(Physical and Electronic)**VENTURE CAPITAL AND CORPORATE  
INVESTMENTS LTD.**

H.No. MIG 124, Bharat Nagar, Hyderabad - 500 004.

Phone: 040-2332264/2332480,

Fax: 040-23324803.

**k) Share Transfer Systems :**

Transfer of Securities in physical form are registered and duly transferred share certificates are dispatched within thirty (30) days of receipt, provided the transfer documents are in order.

**l) Distribution of Shareholding (As on 31.03.2009)**

Share Holdings	No.of Shareholdings	% of total	No.of Shares	% of total
Up to 500	4,750	86.93	7,75,823	7.50
501 - 1000	301	5.51	2,58,063	2.49
1001 - 2000	142	2.60	2,20,725	2.13
2001 - 3000	38	0.70	98,349	0.95
3001 - 4000	14	0.26	50,887	0.49
4001 - 5000	93	1.70	4,58,488	4.43
5001 - 10000	21	0.38	1,53,045	1.48
10001 & above	105	1.92	83,34,690	80.53
Total	5,464	100.00	1,03,50,070	100.00



- m) Outstanding GDR's/ADR's/Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued any of these instruments.

- n) Plants Locations :            **UNIT - I            DIVYASHAKTI GRANITES LIMITED**  
Survey No.432/1  
Narsapur Village,  
Medak District, A.P.

**UNIT - II            DIVYASHAKTI GRANITES LIMITED**  
Survey No.432/1(Part) & 447  
Narsapur Village,  
Medak District, A.P.

- n) Compliance Officer :            Shareholders can correspond at the Registered office of the Company at Hyderabad with Mr. D.N.Satyanarayana Compliance Officer.

### **AUDITORS' CERTIFICATE**

To the Members

**DIVYASHAKTI GRANITES LIMITED**

We have examined the compliance of conditions of Corporate Governance by DIVYASHAKTI GRANITES LIMITED (the company) for the year ended on 31st March, 2009 as stipulated in Clause 49 of the Listing Agreement entered by the Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance of the conditions of Corporate Governance as stipulated in the said agreements. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we state that the Shareholders / Investor Grievance Committee has maintained records to show the investor grievance and as, at 31st March, 2009, there were no investor grievances remaining unattended / pending for more than one month.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

PLACE: HYDERABAD

DATE : 30<sup>th</sup> May, 2009

For **RAMBABU & CO.,**  
Chartered Accountants

**RAVI RAMBABU**  
Partner

**AUDITORS' REPORT**

To the Members

**DIVYASHAKTI GRANITES LIMITED**

We have audited the attached Balance Sheet of DIVYASHAKTI GRANITES LIMITED, HYDERABAD, as at 31st March, 2009 and the Profit and Loss Account for the year ended on that date annexed thereto and Cash Flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the annexure referred to in paragraph 1 above, we report that :

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books.

- iii) The Balance Sheet, Profit & Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account.
- iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- v) In our opinion and based on written representation received from directors, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2009 from being appointed as a Director in terms of Clause (g) of sub-section (1) to Section 274 of the Companies Act, 1956.
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) In so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31st March, 2009.
  - b) In so far as it relates to Profit and Loss Account, of the Profit of the Company for the year ended on that date.

And
  - c) In so far as it relates to Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

For **RAMBABU & Co.,**  
Chartered Accountants

Place : Hyderabad  
Date : 30<sup>th</sup> May, 2009

**RAVI RAMBABU**  
Partner

## ANNEXURE TO THE AUDITORS' REPORT

Referred to as in paragraph 1 of our report of even date.

1. In respect of its Fixed assets:

- (a) The company has maintained proper records showing full particulars including details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, 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 physical verification.
- (c) The company has not disposed of substantial part of the Assets during the year. According to the information and explanations given to us, we are of the opinion that no transactions are affected involving disposal of assets so as to effect going concern status of the company.

2. In respect of its Inventories:

- (a) As explained to us, inventories have been physically verified during the year by the management at regular intervals. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the company and the nature of its business.

- (c) The company has maintained proper records of inventories. In our opinion and according to the information and explanations given to us, the discrepancies noticed on verification between the physical stocks and the book records were not material.

3. In respect of loans secured or unsecured, granted or taken by the company to/from Companies, firms or other parties covered in the register maintained under section 301 of the Companies act, 1956 :

- (a) The company has not taken/granted loans from/to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (b) As the Company has not taken/granted loans from/to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956, the question of statement on the rate of interest and other terms and conditions on which Company has taken/granted loans from/to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 does not arise.
- (c) As the company has not taken/granted loans from/to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956, the question of statement on the regular payment/receipt of the principal and interest amounts as stipulated does not arise.

- (d) As the company has not taken/granted loans from/to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956, the question of statement on the steps taken for recovery/payment of the Principal and interest on overdue amount of more than one lakh does not arise.
- 4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, based on our audit procedures applied, we have not observed any continuing failure to correct major weaknesses in internal controls.
- 5. In respect of transactions covered under section 301 of the Companies act, 1956:
  - (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
  - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the companies Act, 1956 and exceeding the value of Rs. 5,00,000 with parties covered above during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- 6. In our opinion and according to the information and explanations given to us, the company has not accepted any Deposits from public to which the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 framed thereunder apply.
- 7. The company has an independent internal audit system commensurate with the size and nature of its business.
- 8. We are informed and according to the information and explanations given to us, that the Central government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for the activities of the Company.
- 9. In respect of its statutory dues:
  - (a) According to the records of the company and as per the information and explanations given to us, the company is generally regular in depositing with appropriate authorities undisputed Statutory dues including Provident fund, Investor education & protection fund, Employee's state insurance, Income tax, Sales tax, Wealth tax, Custom duty, Excise duty, 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 Income tax, Wealth tax, Sales tax, Customs duty, Excise duty and Cess were outstanding, as at 31<sup>st</sup> March, 2009 for a period of more than six Months from the date they became payable.

- (c) According to the information and explanation given to us, there are no dues of Sale tax, Income tax, Custom duty, Wealth tax, Excise duty and Cess, which have not been deposited on account of any dispute.
10. In our opinion, the company neither have accumulated losses at the end of the year exceeding fifty percent of its net worth, nor incurred cash losses during the financial year covered by our audit and in the immediately preceeding financial year.
11. As per the records of the Company and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
12. According to the information and explanations given to us, the company has not given any loans and advances on the basis of security by way of pledge of Shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund/society. Accordingly the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, and debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. In our opinion, according to the information and explanations given to us, the company has not given guarantees for loans taken by the others from banks or financial institutions.
16. In our opinion, during the year the company has not raised any fresh term loans.
17. In our opinion, according to the information and explanations given to us and on an overall examination of statements and records of the company, the funds raised on short-term basis have, prima facie, not been used during the year for long-term investment and vice versa.
18. In our opinion, according to the information and explanations given to us, the company has not issued debentures during the period covered by our report.
19. In our opinion, the company has not raised money by way of public issue for any specific purpose during the year.
20. In our opinion, the Company has not made any preferential allotment of shares/securities during the year to parties and companies covered in the register maintained under section 301 of the companies act, 1956.
21. According to the information and explanations given to us and based on audit procedures performed, no fraud on or by the Company has been noticed during the year.

**For RAMBABU & Co.,**  
*Chartered Accountants*

Place : Hyderabad  
Date : 30<sup>th</sup> May, 2009

**RAVI RAMBABU**  
Partner

**DIVYASHAKTI GRANITES LIMITED**
**BALANCE SHEET AS AT 31ST MARCH, 2009**

(Rupees)

PARTICULARS	Sch. No.	AS AT 31.03.2009 (AUDITED)	AS AT 31.03.2008 (AUDITED)
<b>SOURCES OF FUNDS</b>			
<b>SHARE HOLDERS FUNDS:</b>			
Share Capital	1.01	10,22,80,300	10,22,30,800
Reserves & Surpluses	1.02	24,41,26,012	14,56,00,084
Deferred Tax Liability	1.03	1,80,22,513	2,03,86,279
<b>TOTAL</b>		<b>36,44,28,825</b>	<b>26,82,17,163</b>
<b>APPLICATION OF FUNDS</b>			
Fixed Assets (Gross Block)	1.04	25,91,85,934	25,91,38,999
Less: Cumulative Depreciation		13,25,98,747	11,57,42,683
Net Block	Sub Total (i)	<b>12,65,87,187</b>	<b>14,33,96,316</b>
<b>Current Assets, Loans and Advances</b>			
a. Inventories	1.05	5,87,83,320	3,43,12,212
b. Cash & Bank Balances	1.06	17,87,06,555	13,19,60,699
c. Sundry Debtors	1.07	22,42,48,694	14,45,25,778
d. Loans & Advances	1.08	3,23,65,195	4,22,29,412
		<b>49,41,03,764</b>	<b>35,30,28,101</b>
Less: Current Liabilities & Provisions	1.09	25,62,62,126	22,82,07,254
<b>Net Current Assets</b>	Sub Total (ii)	<b>23,78,41,638</b>	<b>12,48,20,847</b>
<b>TOTAL (i + ii)</b>		<b>36,44,28,825</b>	<b>26,82,17,163</b>

As per our report of even date attached  
For **RAMBABU & Co.**,  
Chartered Accountants  
**RAVI RAMBABU**  
Partner

For and on Behalf of the Board

**M.RAMAKRISHNAYYA**, IAS (Retd.)  
Chairman

**N.V.RATTIAH**  
Managing Director

**T.H.SASTRY**  
Director

Place : HYDERABAD  
Date : 30.05.2009

**DIVYASHAKTI GRANITES LIMITED**

**PORFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

(Rupees)

PARTICULARS	Sch. No.	For the Year Ended 31.03.2009 (AUDITED)	For the Year Ended 31.03.2008 (AUDITED)
<b>INCOME</b>			
Export Sales		26,34,03,077	31,12,34,094
Other Income			
a) Other Operational Income-			
Exchange Fluctuation	2.01 A	6,39,02,625	(1,10,46,527)
b) Miscellaneous Income	2.01 B	96,46,316	76,16,521
Increase / (Decrease) in Stocks	2.02	(51,07,297)	39,97,442
<b>Total - A</b>		<b>33,18,44,721</b>	<b>31,18,01,530</b>
<b>EXPENDITURE</b>			
Materials Consumed	2.03	11,17,08,218	15,72,36,001
Manufacturing Expenses	2.04	4,08,54,343	5,12,92,900
Staff Cost	2.05	79,52,427	92,02,489
Administrative, selling and Other expenses	2.06	2,42,18,718	3,31,00,970
Depreciation	1.04	1,68,56,064	1,70,94,476
<b>Total - B</b>		<b>20,15,89,770</b>	<b>26,79,26,836</b>
<b>Profit/(Loss) before Tax</b>	<b>(A - B)</b>	<b>13,02,54,951</b>	<b>4,38,74,694</b>
Provision for Taxation - current year		1,58,97,670	93,12,200
Provision for Fringe Benefit Tax		2,45,693	2,83,926
Provision for Deferred Taxation		(23,63,766)	(16,61,371)
<b>Net Profit/(Loss) After Tax</b>		<b>11,64,75,354</b>	<b>3,59,39,939</b>
<b>Balance available for appropriation</b>		<b>11,64,75,354</b>	<b>3,59,39,939</b>
<b>APPROPRIATIONS:</b>			
General Reserve		9,85,25,928	1,79,99,201
Dividend proposed		1,53,42,045	1,53,34,620
Tax on Dividend proposed		26,07,381	26,06,118
<b>Total</b>		<b>11,64,75,354</b>	<b>3,59,39,939</b>
Earning per Share (Basic/Diluted)		11.25	3.47
(Par value per share Rs.10/-)			
Notes to the Accounts	2.07		
As per our report of even date attached For <b>RAMBABU &amp; Co.,</b> Chartered Accountants <b>RAVI RAMBABU</b> Partner		For and on Behalf of the Board  <b>M.RAMAKRISHNAYYA, IAS (Retd.)</b> Chairman  <b>N.V.RATTIAH</b> Managing Director  <b>T.H.SASTRY</b> Director	
Place : HYDERABAD Date : 30.05.2009			

**SCHEDULES ANNEXED TO AND FORMING PART OF  
BALANCE SHEET AND PROFIT AND LOSS ACCOUNT**

PARTICULARS	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 Rs.
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**SCHEDULE 1.01  
SHARE CAPITAL**

Authorised:

(1,40,00,000 Equity Shares of Rs.10 Each)	<b>14,00,00,000</b>	<b>14,00,00,000</b>
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Issued, Subscribed and Called Up:

(1,03,50,070 Equity Shares of Rs.10 Each)	<b>10,35,00,700</b>	<b>10,35,00,700</b>
Less: Calls in Arrears	<b>12,20,400</b>	<b>12,69,900</b>

<b>TOTAL</b>	<b>10,22,80,300</b>	<b>10,22,30,800</b>
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**SCHEDULE 1.02**

**RESERVES AND SURPLUSES**

General Reserve

Opening Balance	<b>14,41,00,084</b>	<b>12,61,00,883</b>
Add: Transferred from Profit & loss account	<b>9,85,25,928</b>	<b>1,79,99,201</b>
	<b>24,26,26,012</b>	<b>14,41,00,084</b>

Other Reserves	<b>15,00,000</b>	<b>15,00,000</b>
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<b>TOTAL</b>	<b>24,41,26,012</b>	<b>14,56,00,084</b>
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**SCHEDULE 1.03**

DEFERRED TAX LIABILITY

Opening Balance	<b>2,03,86,279</b>	<b>2,20,47,650</b>
Add/(Less) for the current year	<b>(23,63,766)</b>	<b>(16,61,371)</b>

<b>TOTAL</b>	<b>1,80,22,513</b>	<b>2,03,86,279</b>
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**SCHEDULE 1.04****FIXED ASSETS**

S. No.	Name of the Asset	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.2008	Additions	Deletions	As at 31.03.2009	As at 31.03.2008	Deletion of depreciation for disposed Asset Rs.	For the Year	Upto 31.03.2009	As at 31.03.2009	As at 31.03.2008
		Rs.	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
1	Land and Site Development	36,90,056	0	0	36,90,056	0	0	0	0	36,90,056	36,90,056
2	Factory Buildings	4,11,73,513	0	0	4,11,73,513	1,33,86,534	0	13,75,195	1,47,61,729	2,64,11,784	2,77,86,979
3	Office Premises	28,42,278	0	0	28,42,278	6,39,086	0	46,329	6,85,415	21,56,863	22,03,192
4	Plant and Machinery	19,66,24,348	-	-	19,66,24,348	9,01,28,838	-	1,45,89,526	10,47,18,364	9,19,05,984	10,64,95,510
5	Furniture and Fixtures	2,73,875	0	0	2,73,875	2,36,087	0	17,336	2,53,423	20,452	37,788
6	Office Equipment	7,65,225	0	0	7,65,225	5,62,836	0	73,186	6,36,022	1,29,203	2,02,389
7	Electrical Equipment	25,86,402	0	0	25,86,402	24,57,082	0	-	24,57,082	1,29,320	1,29,320
8	Air Conditioners	2,06,240	0	0	2,06,240	1,95,928	0	-	1,95,928	10,312	10,312
9	Generator Set	20,16,648	0	0	20,16,648	18,26,425	0	95,791	19,22,216	94,432	1,90,223
10	Motor Car	33,18,941	0	0	33,18,941	16,04,825	0	3,15,300	19,20,125	13,98,816	17,14,116
11	Motor Cycle/Mopeds	2,24,237	46,935	0	2,71,172	1,22,589	0	25,163	1,47,752	1,23,423	1,01,648
12	Motor Vehicle - Van	4,96,000	0	0	4,96,000	1,77,061	0	56,098	2,33,159	2,62,841	3,18,939
13	Transformers	49,21,236	0	0	49,21,236	44,05,392	0	2,62,140	46,67,532	2,53,704	5,15,844
	Total	25,91,38,999	46,935	0	25,91,85,934	11,57,42,683	0	1,68,56,064	13,25,98,747	12,65,87,187	14,33,96,316
	Previous year	25,90,43,551	95,448	0	25,91,38,999	9,86,48,207	0	1,70,94,476	11,57,42,683	14,33,96,316	--

**SCHEDULES ANNEXED TO AND FORMING PART OF  
BALANCE SHEET AND PROFIT AND LOSS ACCOUNT**

PARTICULARS	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 Rs.
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**SCHEDULE 1.05**

**INVENTORIES (as valued & certified by Management)**

Raw Materials	3,02,43,364	84,92,826
Proportionate freight on closing stock of Raw Materials	66,98,195	18,15,108
Stores and Consumables	1,52,84,235	1,21,75,186
Packing Material	5,39,000	7,03,269
Finished Goods	45,89,190	49,85,325
Work-in-Process	14,29,336	61,40,498
<b>TOTAL</b>	<b>5,87,83,320</b>	<b>3,43,12,212</b>

**SCHEDULE 1.06**

**CASH AND BANK BALANCES**

Cash at Bank with Scheduled Banks		
- in Current Accounts	4,95,202	20,49,188
- Term Deposit	5,75,19,159	5,00,00,000
- Margin Money Deposit for L.C.	3,60,00,000	2,00,00,000
- Margin Money Deposit for B.G	4,75,000	4,75,000
- E.E.F.C. Account with SBM	8,38,56,002	5,89,78,900
Cash on hand	3,61,192	4,57,611
<b>TOTAL</b>	<b>17,87,06,555</b>	<b>13,19,60,699</b>

**SCHEDULE 1.07**

**SUNDRY DEBTORS**

(Unsecured, Considered good)		
Debts exceeding Six Months	13,64,70,356	2,71,77,272
Others	8,77,78,338	11,92,05,948
	<b>22,42,48,694</b>	<b>14,63,83,220</b>
Less: Provision for Bad and Doubtful debts	-	18,57,442
<b>TOTAL</b>	<b>22,42,48,694</b>	<b>14,45,25,778</b>

## SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

PARTICULARS	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 Rs.
<b>SCHEDULE 1.08</b>		
<b>LOANS AND ADVANCES</b>		
(Unsecured considered good, recoverable in cash or in kind for value to be received)		
Advance to		
Material suppliers	35,78,400	79,55,837
Staff	2,69,500	2,36,860
Advance Tax Including Tax deducted at source and Fringe Benefit Tax	2,56,53,804	3,12,14,882
Security Deposits	24,03,460	24,03,460
Accrued Interest on margin Money/		
Consumer Deposit	1,11,651	-
Prepaid Expenses	3,48,380	4,18,373
<b>TOTAL</b>	<b>3,23,65,195</b>	<b>4,22,29,412</b>
<b>SCHEDULE 1.09</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
a) Current Liabilities :		
Trade Creditors	14,36,59,644	12,76,91,709
Outstanding Liabilities - Volume rebate on sales	5,64,60,061	4,58,91,654
Outstanding Liabilities - Others	12,23,477	17,86,978
Advances received from Customers	88,86,950	78,40,028
Unclaimed Dividend	2,02,275	2,08,175
Provision for Gratuity	10,80,595	9,00,414
b) Provisions :		
Provision for Taxation	2,59,74,153	2,50,70,381
Provision for Fringe Benefit Tax	8,25,545	8,77,177
Provision for Dividend Proposed	1,53,42,045	1,53,34,620
Tax on Dividend Proposed	26,07,381	26,06,118
<b>TOTAL</b>	<b>25,62,62,126</b>	<b>22,82,07,254</b>

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## SCHEDULE 2.01

### OTHER INCOME

## OTHER INCOME

Foreign Exchange Fluctuation	6,25,23,173	(1,45,66,592)
Interest on Margin Money for L.Cs.-Received	13,79,452	35,20,065
<b>TOTAL (a)</b>	<b>6,39,02,625</b>	<b>(1,10,46,527)</b>

## SCHEDULE 2.02

Closing Stock		
Finished Goods	45,89,190	49,85,325
Work-in-process	14,29,336	61,40,498
<b>TOTAL</b>	<b>60,18,526</b>	<b>1,11,25,823</b>

## SCHEDULE 2.03

**(A) CONSUMPTION OF RAW MATERIAL**

\_\_\_\_\_

## SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

PARTICULARS	For the Year Ended 31.03.2009 Rs.	For the Year Ended 31.03.2008 Rs.
<b>(B) CONSUMPTION OF STORES, SPARES &amp; CONSUMABLES</b>		
Opening Stock	1,21,75,186	1,28,39,043
Add: Purchases during the year	2,21,60,249	2,70,80,137
	3,43,35,435	3,99,19,180
Less: Closing Stock	1,52,84,235	1,21,75,186
Stores, Spares & Consumables consumed	1,90,51,200	2,77,43,994
<b>Sub Total (b)</b>	<b>1,90,51,200</b>	<b>2,77,43,994</b>
<b>TOTAL (a + b)</b>	<b>11,17,08,218</b>	<b>15,72,36,001</b>

**SCHEDULE 2.04****MANUFACTURING EXPENSES**

Power & Fuel	1,05,16,778	1,41,29,368
Transport and Freight - Inward (On raw blocks consumed)	2,23,19,552	2,75,01,235
Maintenance:		
Factory Buildings	8,45,702	16,18,394
Plant & Machinery	11,41,429	20,03,431
Generators	1,02,715	1,46,804
Packing Material	59,28,167	58,93,668
<b>TOTAL</b>	<b>4,08,54,343</b>	<b>5,12,92,900</b>

**SCHEDULE 2.05****STAFF COST**

Salaries & Wages	73,27,220	83,90,617
Contribution to Provident fund	1,70,982	1,60,577
Workmen and Staff Welfare	4,54,225	6,51,295
	79,52,427	92,02,489

**SCHEDULES ANNEXED TO AND FORMING PART OF  
BALANCE SHEET AND PROFIT AND LOSS ACCOUNT**

PARTICULARS	For the Year Ended 31.03.2009 Rs.	For the Year Ended 31.03.2008 Rs.
<b>SCHEDULE 2.06</b>		
<b>ADMINISTRATIVE, SELLING &amp; OTHER EXPENSES</b>		
Rates and Taxes	90,801	4,35,932
Service Tax	8,26,763	5,24,468
Travelling Expenses : Inland	8,15,540	6,73,540
Foreign	10,72,274	15,31,711
Remuneration to Directors	8,65,961	8,55,182
Insurance	14,68,723	15,06,195
Printing and Stationery	2,35,460	2,55,577
Postage, Telephones, Fax & Telex	5,34,900	6,71,694
Advertisement Charges	1,84,542	49,419
Professional Charges	25,000	25,000
Business Promotion Expenses	1,17,854	70,982
Transport & Freight - Outward	1,10,97,232	1,55,41,870
Maintenance:		
Office	5,85,834	3,77,230
Vehicles	2,88,811	3,83,277
Audit Fees		
Statutory Audit	20,000	20,000
Tax Audit	10,000	10,000
Provision for Gratuity	1,80,181	1,73,887
Volume rebate on export sales	31,99,500	67,35,850
Other expenses	20,57,815	28,24,867
Bank Charges	5,41,527	4,34,289
<b>TOTAL</b>	<b>2,42,18,718</b>	<b>3,31,00,970</b>

**SCHEDULE 2.07****NOTES TO THE ACCOUNTS AND ACCOUNTING POLICIES****I. SIGNIFICANT ACCOUNTING POLICIES:****1. Basis of preparation of Financial Statements:**

The Financial statements have been prepared under the historical cost conventions in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956 as adopted consistently by the Company. All income and expenditure having a material bearing on the Financial Statements are recognized on accrual basis.

**2. Revenue Recognition:**

- a) Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer.
- b) Interest on Fixed Deposits with banks is accounted as and when the deposits matured.

**3. Expenditure:**

Expenses are accounted on accrual basis and provision is made for all known losses and liabilities.

**4. Fixed Assets:**

Fixed assets are stated at cost less depreciation. Cost includes installation and expenditure during construction period including interest on borrowing till the date of capitalization. Depreciation on the fixed assets is provided on straight-line method as per the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

**5. Inventories:**

Raw materials, Stores & Spares and Work-in-process are valued at cost. Finished Goods are valued at cost or net realisable value whichever is lower.

**6. Retirement Benefits:**

Provision for gratuity has been made in respect of all employees who have come within the qualifying period of service for entitlement to the gratuity benefit as per Actuarial valuation done by the Actuary.

**7. Foreign Currency Translation:**

Foreign currency transactions are converted at the exchange rates prevailing on the date of transaction. Current Assets & Liabilities and loans in foreign currencies, not covered by forward contracts are restated at the rate prevailing as on the date of the Balance sheet.

Exchange difference arising from foreign currency transactions, other than for Fixed Assets, which is adjusted to the cost of assets, are dealt with in the Profit & Loss Account.

**8. Deferred Taxation:**

Deferred Tax resulting from timing differences between book and tax profit is accounted for at the current rate of tax, to the extent that the timing differences are expected to crystallize.

## DIVYASHAKTI GRANITES LIMITED

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### II. NOTES TO ACCOUNTS:

#### 1. Contingent Liabilities.

(a) Bank Guarantees and Letters of Credit for which no provision is made in the books amount to Rs.135.08 lakhs. (Previous Year - Rs.92.19 lakhs)

2. The Company has entered into sale agreement for the purchase of office premises at Ameerpet, Hyderabad with N.V.Rattaiah & Co., at a sale price of Rs.28,42,278/- which was paid and also accounted for in the books of account on 2nd April 1993. The Conveyance deed has not yet been executed.

3. Confirmation letters have been sent in respect of sundry debtors/creditors and loans and advances. In view of all confirmations not having been received, the balances are subject to reconciliation and adjustments, if any.

4. The Company has not received any Memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) to claim their status as micro, small & medium enterprises. Consequently, the amount paid / payable to such parties during the year is NIL.

5. The Company's business during the reporting period consists of single reportable segment i.e. manufacturing and sale of Polished Granite only. Hence no separate disclosure pertaining to segment reporting as per AS 17 as issued by ICAI is made.

6. An amount of Rs. 18,57,442/- outstanding as due from two buyers M/s. B.K. Office Needs (Rs. 11,76,701/-) and quantum Export Import (Rs. 6,80,741/-) since June 1995 has been written off, utilising the provision for Bad and Doubtful Debts for an equal amount made in earlier years, as there is no possibility of realising the same.

7. Deferred Tax provision has been made as per Accounting Standard No.22 of Institution of Chartered Accountants of India.

#### 8. Related party disclosure :

a) Name of the party : M/s Universal Extrusion Pvt.Ltd.,  
Relationship : A company in which Managing Director is a director  
Nature of Transaction : Packing wood material (purchase)

	2008-09	2007-08
Transaction Value	Rs.18,48,940/-	Rs.19,61,210/-
Balance outstanding as on Balance Sheet date	Rs.13,89,749/- (Creditor)	12,28,124/- (Creditor)
Amount Written off/Back	Nil	Nil

b) Name of the party : M/s Universal Marketing Pvt. Ltd.,  
Relationship : A company in which Managing Director and Executive Director are directors  
Nature of Transaction : Polished Granite Slabs (third party exports)  
Transaction Value : Nil Nil  
Balance outstanding as on Balance Sheet date : Rs. 55,18,745/- (Creditor) 55,18,745/- (Creditor)  
Amount Written off/Back : Nil Nil



**DIVYASHAKTI GRANITES LIMITED**

9. Expenditure in Foreign Currency:		<b>2008-09</b>		<b>2007-08</b>
(i) Foreign Travelling	Rs.	<b>10,72,274</b>		15,31,711
(ii) CIF Values of Imports:				
Raw Material	Rs.	<b>4,68,37,129</b>		4,88,56,651
Capital Goods	Rs.	NIL		NIL
Consumables & Spares	Rs.	<b>2,14,94,182</b>		2,59,62,653
(iii) Earnings in Foreign Currency:	Rs.	<b>26,34,03,077</b>		31,12,34,094
(FOB Values of Exports)				
10. Consumption of Materials:		<b>2008-09</b>		<b>2007-08</b>
		<b>Value</b>	<b>%</b>	<b>Value</b>
a) Raw Material				
i) Imports	Rs.	<b>3,98,33,505</b>	<b>42.99</b>	5,13,47,769
ii) Indigenous	Rs.	<b>5,28,23,514</b>	<b>57.01</b>	7,81,44,238
b) Consumables & Spares				
i) Import	Rs.	<b>1,83,63,629</b>	<b>96.39</b>	2,65,79,422
ii) Indigenous	Rs.	<b>6,87,571</b>	<b>3.61</b>	11,64,572
11. E.P.S. Calculation :		<b>2008-09</b>		<b>2007-08</b>
Net Profit after Tax	Rs.	<b>11,64,75,354</b>		35,93,99,939
No. of Shares		<b>1,03,50,070</b>		1,03,50,070
Earnings per share (EPS)		<b>11.25</b>		3.47

## DIVYASHAKTI GRANITES LIMITED

### 12. Additional Information required under part II of Schedule VI of the Act.

	2008-09 (Sq.Mts)	2007-08 (Sq.Mts)
(a) ANNUAL CAPACITIES	2,70,000	2,70,000
(b) LICENCED CAPACITIES:	2,70,000	2,70,000
(c) PARTICULARS OF PRODUCTION, SALES AND CLOSING STOCKS		
i) Production	83,257	1,21,489
ii) Sales	86,594	1,19,372
iii) Closing Stocks	4,108	7,445
d) CONSUMPTION	2008-09	2007-08
	Quantity      Value (Rs.)	Quantity      Value (Rs.)
i) Granite Raw Blocks 3001 Cu.Mt.	8,95,20,114	5046 Cu.Mt. 12,89,22,617
ii) Finished Slabs & Tiles 979 Cu.Mt.	31,36,904	220 Sq.Mt. 5,69,390
iii) Others —	1,90,51,200	--- 2,77,43,994
13. Remuneration to Directors :	2008-09	2007-08
	Rs.	Rs.
(a) Managing Director - Salary	2,82,000	2,71,000
- Perquisites	1,12,379	1,21,245
(b) Executive Director - Salary	2,52,000	2,41,000
- Perquisites	2,19,582	2,21,937

14. Figures in the Balance Sheet and Profit and Loss Account have been rounded off to the nearest rupee.

15. Previous year's figures have been regrouped and reclassified wherever necessary.

16. Schedules 1.01 to 1.09 and 2.01 to 2.07 form part of Balance Sheet and Profit and Loss Account and have been authenticated.

As per our report of even date attached  
For **RAMBABU & Co.,**  
Chartered Accountants  
**RAVI RAMBABU**  
Partner

For and on Behalf of the Board

**M.RAMAKRISHNAYYA**, IAS (Retd.)  
Chairman

**N.V.RATTAIAH**  
Managing Director

**T.H.SASTRY**  
Director

Place : HYDERABAD  
Date : 30<sup>th</sup>.05.2009

**Balance Sheet Abstract and Company's General Business Profile****I. Registration Details**

Registration No. :

0 1 - 1 2 7 6 4

State Code :

0 1

Balance Sheet :

3 1 - 0 3 - 2 0 0 9

Date Month Year

Date Month Year

**II. Capital raised during the Year (Amount in Rs. Thousands)**

Public Issue

N I L

Rights Issue

N I L

Business Issue

N I L

Private Issue

N I L

**III. Position of mobilisation and Development of Funds (Amount in Rs. Thousands)**

Total Liabilities

3 6 4 4 2 9

Total Assets

3 6 4 4 2 9

**Sources of Funds**

Paid-Up Capital

1 0 2 2 8 0

Reserves &amp; Surplus

2 4 4 1 2 6

Secured Loans

- -

Unsecured loans/ Others

1 8 0 2 3

**Application of Funds**

Net Fixed Assets

1 2 6 5 8 7

Investments

N I L

Net Current  
Assets

2 3 7 8 4 2

Misc.  
Expenditure

- - - -

Accumulated  
losses

- - - -

**IV. Performance of Company (Amount in Rs. Thousands)**

Turnover

3 3 1 8 4 5

Total Expenditure

2 0 1 5 9 0

+/-

+

Profit/Loss  
Before Tax

1 3 0 2 5 5

+/-

+

Profit/Loss  
After Tax

1 1 6 4 7 5

Earning Per Share

R s. 1 1 . 2 5

Dividend rate %

1 5 %

**V. Generic Names of Principal Products/Services of Company (as per monetary terms)**

Item Code No.

6 8 0 2 2 3 . 0 1

(ITC CODE) :

Product

Description :

G	R	A	N	I	T	E	P	O	L	I	S	H	E	D	S	L	A	B	S
T	I	L	E	S	A	N	D	M	O	N	U	M	E	N	T	S			

On behalf of the Board

Place: Hyderabad  
Date : 30<sup>th</sup>.05.2009

**N.V.RATTAIAH**  
MANAGING DIRECTOR

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2009**

(Rupees)

PARTICULARS	31.03.2009 Rs.	31.03.2008 Rs.	Year Ended 31.03.2009 Rs.	Year Ended 31.03.2008 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Net profit before tax and extraordinary items			13,02,54,951	4,38,74,694
Adjustments for :-				
Depreciation	1,68,56,064	1,70,94,476		
Interest	----	----		
Interest Income	(76,16,521)	(1,11,36,586)		
Miscellaneous expenses written off	----	----		
			92,39,543	59,57,890
<b>Operating profit before working capital changes</b>			13,94,94,494	4,98,32,584
Working capital Adjustments for :-				
Trade and other Receivables	(7,54,19,777)	(5,31,73,114)		
Inventories	(2,44,71,108)	21,29,994		
Trade Payable	2,71,99,944	59,66,057		
			(7,26,90,941)	(4,50,77,063)
<b>Cash generated from operations</b>			6,68,03,553	47,55,521
Income Tax Paid	(97,30,145)	(1,06,45,430)		
Income Tax of earlier period (other than tax on Dividend)	----	----		
			(97,30,145)	(1,06,45,430)
<b>Net cash inflow from operating activities</b>			5,70,73,408	(58,89,909)
<b>B. CASH FROM INVESTING ACTIVITIES:-</b>				
F. E. Fluctuations - Capital items.	----	----		
Interest received	76,16,521	1,11,36,586		
Purchase/Sale of fixed assets	(46,935)	(95,448)		
			75,69,586	1,10,41,138
<b>Net cash flow from investing activities</b>			75,69,586	1,10,41,138

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2009**

(Rupees)

PARTICULARS	31.03.2009 Rs.	31.03.2008 Rs.	Year Ended 31.03.2009 Rs.	Year Ended 31.03.2008 Rs.
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Issue of Share capital	---	---		
Calls in arrears received	49,500	22,84,000		
Subsidy	---	---		
Interest paid	---	---		
Dividend paid	(1,53,40,520)	(1,53,54,264)		
Tax on Dividend paid	(26,06,118)	(25,47,894)		
Proceeds from long term borrowings	---	---		
			<b>(1,78,97,138)</b>	<b>(1,56,18,158)</b>
<b>Net Cash flow from financing activities</b>			<b>(1,78,97,138)</b>	<b>(1,56,18,158)</b>
Net increase/(decrease) in cash and cash equivalents (A)+(B)+(C)			<b>4,67,45,856</b>	<b>(1,04,66,929)</b>
Cash and cash equivalents as at 01.04.2007			<b>13,19,60,699</b>	<b>14,24,27,628</b>
<b>Cash and cash equivalents as at 31.03.2009</b>			<b>17,87,06,555</b>	<b>13,19,60,699</b>

As per our report of even date attached  
For **RAMBABU & Co.**,  
Chartered Accountants  
**RAVI RAMBABU**  
Partner

For and on Behalf of the Board

**M.RAMAKRISHNAYYA**, IAS (Retd.)  
Chairman

**N.V.RATTAIAH**  
Managing Director

**T.H.SASTRY**  
Director

Place : HYDERABAD  
Date : 30.05.2009

**DIVYASHAKTI GRANITES LIMITED**

**DIVYASHAKTI GRANITES LIMITED**

Regd. Office: 7-1-58, Divyashakti Complex,  
Ameerpet, Hyderabad - 500 628.

**PROXY-FORM**

Regd. Folio No.:

No. of Shares Held:

I/We \_\_\_\_\_ of  
\_\_\_\_\_ in the District of  
\_\_\_\_\_ being a member/members of the above named  
Company hereby appoint \_\_\_\_\_ of  
\_\_\_\_\_ in the District of  
\_\_\_\_\_ as my/our Proxy to vote for me/us on my/our  
behalf at the 18th Annual General Meeting of the Company to be held on Thursday, the 24th  
September, 2009 at The Institution of Engineers, Khairatabad, Hyderabad - 500 004, at  
11.00 a.m. and at any adjournment thereof.

Affix One  
Rupee  
Revenue  
Stamp

Date :

Signature

Note : This Proxy Form duly completed should be deposited at the Registered Office of the  
Company not less than Forty eight hours before the time fixed for holding the meeting.

**DIVYASHAKTI GRANITES LIMITED**

Regd. Office: 7-1-58, Divyashakti Complex,  
Ameerpet, Hyderabad - 500 628.

**ATTENDANCE SLIP**

Regd. Folio No.:

No. of Shares Held:

Name of the Shareholder: \_\_\_\_\_

Name of the Proxy: \_\_\_\_\_

Signature of Member/Proxy: \_\_\_\_\_

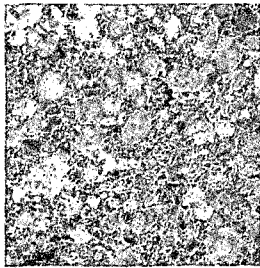
I hereby record my presence at the 18th Annual General Meeting on Thursday, the 24th  
September, 2009 at 11.00 a.m.

Signature of Member/Proxy

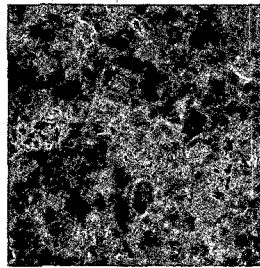
Note : To be signed and handed over at the Meeting Venue.

NO GIFTS PLEASE

# *Sheer Splendour*



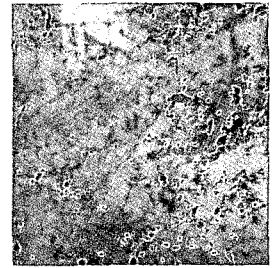
Baltic Brown



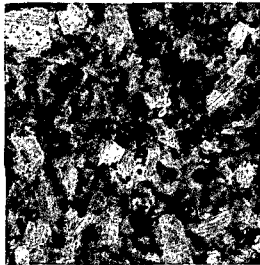
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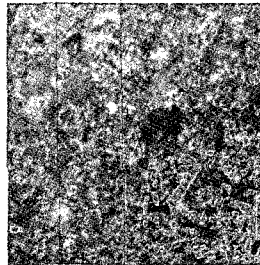
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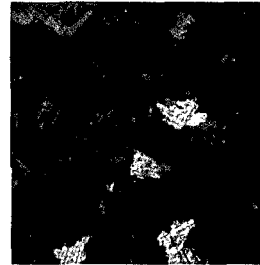
Delicatus



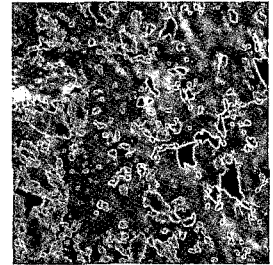
Blue Pearl



Coffee Brown



Emerald Pearl



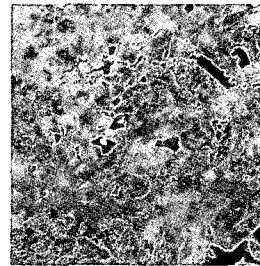
Ice Pearl



Red Bordeaux



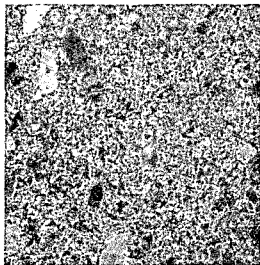
Paradiso



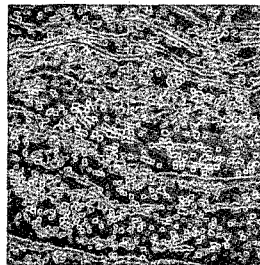
River Blue Green



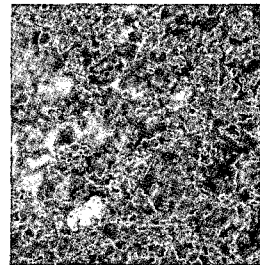
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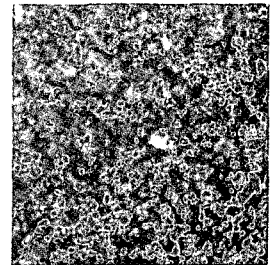
Steel Grey



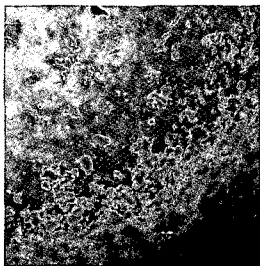
Surf Green



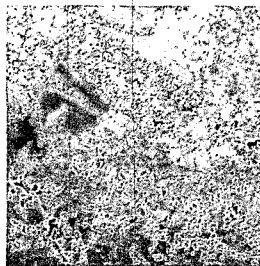
Tan Brown



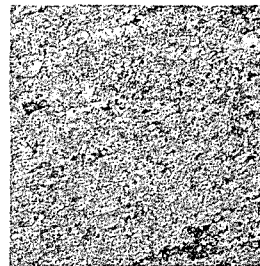
Tropic Brown



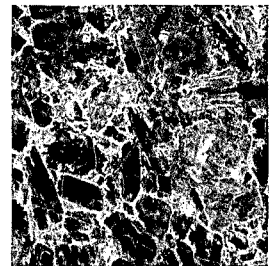
Tsoa Pearl



Absolute Cream



Sukuri Ivory



Volga Blue

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