

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

Factory

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

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

DIVYASHAKTI GRANITES LIMITED - HYDERABAD

NOTICE

Notice is hereby given that the 19th Annual General Meeting of the Members of DIVYASHAKTI GRANITES LIMITED will be held on MONDAY the 27th SEPTEMBER, 2010 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, 2010 and the Profit and Loss Account for the financial year ended 31st March, 2010 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 T. H. Sastry, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri N. S.R.C. Sekhara Rao, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri N. Bhanu Prasad, who retires by rotation and being eligible, offers himself for re-appointment.
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".

For and on behalf of the Board

Place : Hyderabad

Date : 26.05.2010

N.V. RATTIAH
Managing Director

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 21-09-2010 to 27-09-2010 (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 27.09.2010.

DIVYASHAKTI GRANITES LIMITED - HYDERABAD

DETAILS OF DIRECTORS SEEKING REAPPOINTMENT AT THE ANNUAL GENERAL MEETING

Particulars	Shri T.H. Sastry	Shri N.S.R.C. Sekhar Rao	Shri N. Bhanu Prasad
Date of Birth	27th April, 1940	25th December, 1942	30th July, 1964
Date of Appointment	28th January, 1993	28th January, 1993	4th June, 1991
Qualifications & Expertise	M.Sc (Geology) & I.A.S.M. Worked as Director of Mines & Geology (Govt. of A.P.)	BE (Electrical) Experience as Electrical Contractor for over 16 years	M.B.A. Builder & Developer for the last 16 years
Directorship held in other public companies	Nil	Nil	Divyashakti Housing Construction Ltd.
Memberships/ Chairmanships of committees of other public companies (including only Audit and Shareholders Grievance Committee)	Nil	Nil	Nil
No. of Shares held in the Company	--	157760	324620

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors of your Company have pleasure in presenting their 19th Annual Report and the Audited Statement of Accounts of the Company for the year ended 31st March, 2010.

OPERATIONS

2009-2010

Your Company has exported polished granite slabs and polished monuments valued at Rs.2975.25 lakhs to U.S.A. during the year under consideration. As regards the Raw Materials, out of the total purchases of Raw Blocks valued at Rs. 932 lakhs made during the year, about 28% are imported from Saudi Arabia, Finland, Brazil etc.

The year closed on a positive note with export orders on hand to the tune of Rs.250 lakhs as compared to Rs.240 lakhs of last year. In spite of the problems faced by the Granite Industry, and the allround downward economic slide in the International Arena, Your company has managed to improve the performance during the current year. The improvement is to the extent of about Rs. 343 lakhs.

FINANCIAL RESULTS

	Year ended 31.03.2010 (Rs.in lakhs)	Year ended 31.03.2009 (Rs.in lakhs)
Sales	2977.37	2634.03
Gross Operating Profit before depreciation and exchange variation	1041.28	854.88
Profit after depreciation but before exchange variation	876.90	677.32
Profit after depreciation and exchange variation	546.45	1302.55
Profit after Tax	485.99	1164.75

The loss due to Exchange Variation in the year 2009-10 is Rs. 330.45 lakhs whereas there was a heavy gain to the extent of Rs. 625.23 lakhs on this account in the previous year thus making a heavy difference in net profit although the gross profit of both the years is comparable.

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, 2010, 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 T.H. Sastry, Shri N.S.R.C. Sekhara Rao and Shri N. Bhanu Prasad 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.

DIVYASHAKTI GRANITES LIMITED - HYDERABAD

- 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 2010 and Profit and Loss account for the period from April 2009 to March 2010.
- 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 2010-2011.

FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Foreign Exchange Earnings : Rs.2975.25 Lakhs
- b) Foreign Exchange Outgo : Rs. 526.85 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 : 26.05.2010.

DIVYASHAKTI GRANITES LIMITED - HYDERABAD

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

	2009-10	2008-09
1. Electricity		
a) Purchased Units	1684547	1965771
Total Amount (Rs.in lakhs)	72.09	84.22
Average Cost/Unit (Rs./KWH)	4.28	4.28
b) Own Generation		
Through Diesel Generator		
Total Units	240500	167411
Total Amount (Rs.in lakhs)	24.90	17.03
Units per litre of Diesel Oil	3.25	3.26
Average Cost/Unit (Rs./KWH)	10.35	10.17
(B) Technology Absorption	NIL	NIL

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	3	Yes	Nil
2	Shri N.V.Rattaiah	4	Yes	3
3	Shri K.Gopi Raju	2	Yes	2
4	Shri M.V.Subba Rao	1	No	Nil
5	Shri T.H.Sastry	4	Yes	Nil
6	Shri T.V.Chowdary	2	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	2	Yes	2

The dates of Board Meetings held during the year under review are: 30.05.2009, 31.07.2009, 31.10.2009 and 29.01.2010.

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	—

DIVYASHAKTI GRANITES LIMITED - HYDERABAD

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 T.H. Sastry, Shri N.S.R.C. Sekhara Rao, and Shri N.Bhanu Prasad 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 Financial 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 a few other countries as it's 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.

DIVYASHAKTI GRANITES LIMITED - HYDERABAD

GENERAL BODY MEETINGS

The last three Annual General Meetings were held as under:

AGM No.	Location	Date	Time	Whether any special Resolutions were passed
16 th AGM	The Institution of Engineers, Khairatabad, Hyderabad.	27.09.2007	11.00 a.m	NO
17 th AGM	- DO -	27.09.2008	11.00 a.m	NO
18 th AGM	- DO -	24.09.2009	11.00 a.m	Yes

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 : 19th AGM
Date : 27th September, 2010
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 : 21-09-2010 TO 27-09-2010
- d) Dividend Payment Date : ON OR BEFORE 27.10.2010
- 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
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DIVYASHAKTI GRANITES LIMITED - HYDERABAD

i) Market Price Data

Month	BSE		
	High (Rs.)	Low (Rs.)	No. of Shares
April, 09	18.65	14.30	11169
May, 09	25.30	16.00	50717
June, 09	29.05	22.55	190170
July, 09	25.95	21.00	165398
August, 09	25.70	21.50	54876
September, 09	27.30	22.00	124989
October, 09	27.70	22.65	50509
November, 09	27.45	19.80	60250
December, 09	26.65	22.50	103202
January, 10	37.65	24.70	900688
February, 10	30.70	23.40	99204
March, 10	30.75	24.50	75207

- j) Registrar & Share Transfer Agent: VENTURE CAPITAL AND CORPORATE INVESTMENTS LTD.
(Physical and Electronic)
H.No. MIG 124, Bharat Nagar, Hyderabad - 500 004.
Phone: 040-23322264/2332480,
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 31.03.2010)

Share Holdings	No.of Shareholdings	% of total	No.of Shares	% of total
Up to 500	4696	86.72	7,49,878	7.24
501 - 1000	291	5.37	2,54,276	2.46
1001 - 2000	141	2.60	2,24,251	2.17
2001 - 3000	42	0.78	1,09,221	1.06
3001 - 4000	19	0.35	69,283	0.67
4001 - 5000	94	1.74	4,67,239	4.51
5001 - 10000	25	0.46	1,78,147	1.72
10001 & above	107	1.98	82,97,775	80.17
Total	5415	100.00	1,03,50,070	100.00

AUDITORS' REPORT

To
The Members

DIVYASHAKTI GRANITES LIMITED

We have audited the attached Balance Sheet of DIVYASHAKTI GRANITES LIMITED, HYDERABAD, as at 31st March, 2010 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, 2010 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, 2010.
 - 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
Firm No. : 002976 S

Place : Hyderabad
Date : 26th May, 2010

RAVI RAMBABU
Partner
M.No.: 18541

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 off 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.

DIVYASHAKTI GRANITES LIMITED - HYDERABAD

- (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 31st March, 2010 for a period of more than six Months from the date they became payable.

DIVYASHAKTI GRANITES LIMITED - HYDERABAD

(c) According to the information and explanation given to us, except the following dues which have not been deposited on account of dispute, the company is regular in depositing Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty and Cess.

Nature of the Statute	Assessment Year	Amount (Rs. in Lakhs)
Income Tax Act. 1961	2003-04	19.27
Income Tax Act. 1961	2004-05	1.76
Income Tax Act. 1961	2005-06	25.63
Income Tax Act. 1961	2006-07	27.26
Income Tax Act. 1961	2007-08	38.24
Income Tax Act. 1961	2008-09	419.89
TOTAL		532.05

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 preceding 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
Firm No. 002976 S

Place : Hyderabad
Date : 26th May, 2010

RAVI RAMBABU
Partner
M.No. 18541

DIVYASHAKTI GRANITES LIMITED - HYDERABAD**BALANCE SHEET AS AT 31ST MARCH, 2010**

(Rupees)

PARTICULARS	Sch. No.	AS AT 31.03.2010 (AUDITED)	AS AT 31.03.2009 (AUDITED)
SOURCES OF FUNDS			
SHARE HOLDERS FUNDS:			
Share Capital	1.01	10,22,82,300	10,22,80,300
Reserves & Surpluses	1.02	27,47,75,195	24,41,26,012
Deferred Tax Liability	1.03	1,53,18,487	1,80,22,513
TOTAL		39,23,75,982	36,44,28,825
APPLICATION OF FUNDS			
Fixed Assets (Gross Block)	1.04	25,91,85,934	25,91,85,934
Less: Cummulative Depreciation		14,90,36,447	13,25,98,747
Net Block	Sub Total (i)	11,01,49,457	12,65,87,187
Current Assets, Loans and Advances			
a. Inventories	1.05	5,95,51,588	5,87,83,320
b. Cash & Bank Balances	1.06	22,62,19,301	17,87,06,555
c. Sundry Debtors	1.07	20,61,05,250	22,42,48,694
d. Loans & Advances	1.08	5,37,62,909	3,23,65,195
		54,56,39,048	49,41,03,764
Less: Current Liabilities & Provisions	1.09	26,34,12,523	25,62,62,126
Net Current Assets	Sub Total (ii)	28,22,26,525	23,78,41,638
TOTAL (i + ii)		39,23,75,982	36,44,28,825

As per our report of even date attached
For **RAMBABU & Co.**,
Chartered Accountants
Firm No. 002976 S

RAVI RAMBABU
Partner
M.No. 18541
Place : HYDERABAD
Date : 26.05.2010

For and on Behalf of the Board
M.RAMAKRISHNAYYA, IAS (Retd.)
Chairman
N.V.RATTIAIAH
Managing Director
T.H.SASTRY
Director

DIVYASHAKTI GRANITES LIMITED - HYDERABAD

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rupees)

PARTICULARS	Sch. No.	For the Year Ended 31.03.2010 (AUDITED)	For the Year Ended 31.03.2009 (AUDITED)
INCOME			
Sales			
Export Sales		29,75,24,524	26,34,03,077
DTA Sales		2,11,470	---
Other Income			
a) Other Operational Income-			
Foreign Exchange Fluctuations	2.07	---	6,25,23,173
Interest on Margin Money Deposits	2.01 A	33,22,720	13,79,452
b) Miscellaneous Income	2.01 B	58,45,987	96,46,316
Increase / (Decrease) in Stocks	2.02	7,63,254	(51,07,297)
	Total - A	30,76,67,955	33,18,44,721
EXPENDITURE			
Materials Consumed	2.03	13,09,19,239	11,17,08,218
Manufacturing Expenses	2.04	4,10,42,641	4,08,54,343
Staff Cost	2.05	82,17,076	79,52,427
Administrative, selling and Other expenses	2.06	2,33,60,989	2,42,18,718
Foreign Exchange Fluctuations	2.07	3,30,45,346	---
Depreciation	1.04	1,64,37,730	1,68,56,064
	Total - B	25,30,23,021	20,15,89,770
Profit/(Loss) before Tax	(A - B)	5,46,44,934	13,02,54,951
Provision for Taxation - current year		87,50,000	1,58,97,670
Provision for Fringe Benefit Tax		---	2,45,693
Provision for Deferred Taxation		(27,04,026)	(23,63,766)
Net Profit/(Loss) After Tax		4,85,98,960	11,64,75,354
Balance available for appropriation		4,85,98,960	11,64,75,354
APPROPRIATIONS:			
General Reserve		3,06,49,183	9,85,25,928
Dividend proposed		1,53,42,345	1,53,42,045
Tax on Dividend proposed		26,07,432	26,07,381
	Total	4,85,98,960	11,64,75,354
Earning per Share (Basic/Diluted) (Par value per share Rs.10/-)		4.70	11.25
Notes to the Accounts	2.08		

As per our report of even date attached
For **RAMBABU & Co.**,
Chartered Accountants
Firm No. 002976 S

RAVI RAMBABU
Partner
M.No. 18541
Place : HYDERABAD
Date : 26.05.2010

For and on Behalf of the Board
M.RAMAKRISHNAYYA, IAS (Retd.)
Chairman
N.V.RATTAIAH
Managing Director
T.H.SASTRY
Director

DIVYASHAKTI GRANITES LIMITED - HYDERABAD**SCHEDULES ANNEXED TO AND FORMING PART OF
BALANCE SHEET AND PROFIT AND LOSS ACCOUNT**

PARTICULARS	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
SCHEDULE 1.01 SHARE CAPITAL		
Authorised: (1,40,00,000 Equity Shares of Rs.10 Each)	14,00,00,000	14,00,00,000
Issued, Subscribed and Called Up: (1,03,50,070 Equity Shares of Rs.10 Each)	10,35,00,700	10,35,00,700
Less: Calls in Arrears	12,18,400	12,20,400
TOTAL	10,22,82,300	10,22,80,300
SCHEDULE 1.02 RESERVES AND SURPLUSES		
General Reserve		
Opening Balance	24,26,26,012	14,41,00,084
Add: Transferred from Profit & loss account	3,06,49,183	9,85,25,928
	27,32,75,195	24,26,26,012
Other Reserves	15,00,000	15,00,000
TOTAL	27,47,75,195	24,41,26,012
SCHEDULE 1.03		
DEFERRED TAX LIABILITY		
Opening Balance	1,80,22,513	2,03,86,279
Add/(Less) for the year	(27,04,026)	(23,63,766)
TOTAL	1,53,18,487	1,80,22,513

SCHEDULE 1.04													
FIXED ASSETS													
S. No.	Name of the Asset	GROSS BLOCK			DEPRECIATION			NET BLOCK					
		As at 01.04.2009 Rs.	Additions Rs.	Deletions Rs.	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.	Deletion of depreciation for disposed Asset Rs.	For the Year Rs.	Upto 31.03.2010 Rs.	As at 31.03.2010 Rs.	As at 31.03.2009 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	1,47,61,729	0	13,75,195	1,61,36,924	2,50,36,589	2,64,11,784		
3	Office Premises	28,42,278	0	0	28,42,278	6,85,415	0	46,329	7,31,744	21,10,534	21,56,863		
4	Plant and Machinery	19,66,24,348	-	-	19,66,24,348	10,47,18,364	0	1,45,89,526	11,93,07,890	7,73,16,458	9,19,05,984		
5	Furniture and Fixtures	2,73,875	0	0	2,73,875	2,53,423	0	6,758	2,60,181	13,694	20,452		
6	Office Equipment	7,65,225	0	0	7,65,225	6,36,022	0	22,763	6,58,785	1,06,440	1,29,203		
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	19,22,216	0	-	19,22,216	94,432	94,432		
10	Motor Car	33,18,941	0	0	33,18,941	19,20,125	0	3,15,300	22,35,425	10,83,516	13,98,816		
11	Motor Cycle/Mopeds	2,71,172	0	0	2,71,172	1,47,752	0	25,761	1,73,513	97,659	1,23,420		
12	Motor Vehicle - Van	4,96,000	0	0	4,96,000	2,33,159	0	56,098	2,89,257	2,06,743	2,62,841		
13	Transformers	49,21,236	0	0	49,21,236	46,67,532	0	-	46,67,532	2,53,704	2,53,704		
	Total	25,91,85,934	--	0	25,91,85,934	13,25,98,747	0	1,64,37,730	14,90,36,477	11,01,49,457	12,65,87,187		
	Previous year	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	--		

* Depreciation restricted to 95% of Asset. Value

DIVYASHAKTI GRANITES LIMITED - HYDERABAD**SCHEDULES ANNEXED TO AND FORMING PART OF
BALANCE SHEET AND PROFIT AND LOSS ACCOUNT**

PARTICULARS	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
SCHEDULE 1.05		
INVENTORIES (as valued & certified by Management)		
Raw Materials	3,18,31,175	3,02,43,364
Proportionate freight on closing stock of Raw Materials	81,48,312	66,98,195
Stores and Consumables	1,27,66,321	1,52,84,235
Packing Material	24,000	5,39,000
Finished Goods	8,34,511	45,89,190
Work-in-Process	59,47,269	14,29,336
TOTAL	5,95,51,588	5,87,83,320
SCHEDULE 1.06		
CASH AND BANK BALANCES		
Cash at Bank with Scheduled Banks		
- in Current Accounts	34,53,717	4,95,202
- Term Deposit	2,50,00,000	5,75,19,159
- Margin Money Deposit for L.C.	2,70,00,000	3,60,00,000
- Margin Money Deposit for B.G	4,75,000	4,75,000
- E.E.F.C. Account with SBM	16,97,15,493	8,38,56,002
Cash on hand	5,75,091	3,61,192
TOTAL	22,62,19,301	17,87,06,555
SCHEDULE 1.07		
SUNDRY DEBTORS		
(Unsecured, Considered good)		
Debts exceeding Six Months	7,22,79,253	13,64,70,356
Others	13,38,25,997	8,77,78,338
TOTAL	20,61,05,250	22,42,48,694

DIVYASHAKTI GRANITES LIMITED - HYDERABAD

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

PARTICULARS	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
SCHEDULE 1.08		
LOANS AND ADVANCES		
(Unsecured considered good, recoverable in cash or in kind for value to be received)		
Advance to		
Material suppliers	97,98,661	35,78,400
Staff	1,70,850	2,69,500
Advance Tax Including Tax deducted at source and Fringe Benefit Tax	3,82,71,122	2,56,53,804
Security Deposits	24,03,460	24,03,460
Accrued Interest on Margin Money	15,71,728	---
Accrued Interest on Term Deposit	12,59,091	1,11,651
Prepaid Expenses	2,87,997	3,48,380
TOTAL	5,37,62,909	3,23,65,195
SCHEDULE 1.09		
CURRENT LIABILITIES AND PROVISIONS		
a) Current Liabilities :		
Trade Creditors	14,81,24,279	14,36,59,644
Outstanding Liabilities - Volume rebate on sales	5,00,29,025	5,64,60,061
Outstanding Liabilities - Others	19,06,790	12,23,477
Advances received from Customers	79,25,050	88,86,950
Unclaimed Dividend	4,46,186	2,02,275
Provision for Gratuity	14,81,718	10,80,595
b) Provisions :		
Provision for Taxation	3,47,24,153	2,59,74,153
Provision for Fringe Benefit Tax	8,25,545	8,25,545
Provision for Dividend Proposed	1,53,42,345	1,53,42,045
Tax on Dividend Proposed	26,07,432	26,07,381
TOTAL	26,34,12,523	25,62,62,126

DIVYASHAKTI GRANITES LIMITED - HYDERABAD

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

PARTICULARS	For the Year Ended 31.03.2010 Rs.	For the Year Ended 31.03.2009 Rs.
SCHEDULE 2.01		
OTHER INCOME		
A. OTHER OPERATIONAL INCOME		
Interest on Margin Money - Received	17,50,992	13,79,452
- Accrued and due	10,14,255	---
- Accrued but not due	5,57,473	---
TOTAL (a)	33,22,720	13,79,452
B. Miscellaneous Income		
Miscellaneous Income	23,68,990	66,24,326
Interest on Term Deposits - Received	22,17,906	28,81,371
- Accrued and due	7,44,208	1,40,619
-Accrued but not due	5,14,883	---
TOTAL (b)	58,45,987	96,46,316
SCHEDULE 2.02		
ACCRETION (DECRETION) IN STOCKS		
Closing Stock		
Finished Goods	8,34,511	45,89,190
Work-in-process	59,47,269	14,29,336
TOTAL	67,81,780	60,18,526
Opening Stock		
Finished Goods	45,89,190	49,85,325
Work-in-process	14,29,336	61,40,498
TOTAL	60,18,526	1,11,25,823
Accretion/(Decretion) in Stocks	7,63,254	(51,07,297)
SCHEDULE 2.03		
MATERIAL CONSUMED		
(A) CONSUMPTION OF RAW MATERIAL		
Opening Stock of Raw Blocks	3,02,43,364	84,92,826
Add: Purchases during the Year	9,31,71,558	11,12,70,652
	12,34,14,922	11,97,63,478
Less: Closing Stock	3,18,31,175	3,02,43,364
Raw Blocks Consumed	9,15,83,747	8,95,20,114
Add: Purchase of Finished goods	1,66,24,742	31,36,904
Sub Total (a)	10,82,08,489	9,26,57,018

DIVYASHAKTI GRANITES LIMITED - HYDERABAD

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

PARTICULARS	For the Year Ended 31.03.2010 Rs.	For the Year Ended 31.03.2009 Rs.
(B) CONSUMPTION OF STORES, SPARES & CONSUMABLES		
Opening Stock	1,52,84,235	1,21,75,186
Add: Purchases during the year	<u>2,01,92,836</u>	<u>2,21,60,249</u>
	3,54,77,071	3,43,35,435
Less: Closing Stock	<u>1,27,66,321</u>	<u>1,52,84,235</u>
Stores, Spares & Consumables consumed	2,27,10,750	1,90,51,200
Sub Total (b)	<u><u>2,27,10,750</u></u>	<u><u>1,90,51,200</u></u>
TOTAL (a + b)	<u><u><u>13,09,19,239</u></u></u>	<u><u><u>11,17,08,218</u></u></u>
 SCHEDULE 2.04		
MANUFACTURING EXPENSES		
Power & Fuel	97,37,011	1,05,16,778
Transport and Freight - Inward (On raw blocks consumed)	<u>2,35,83,175</u>	<u>2,23,19,552</u>
Maintenance:		
Factory Buildings	11,23,415	8,45,702
Plant & Machinery	10,98,571	11,41,429
Generators	59,133	1,02,715
Packing Material	<u>54,41,336</u>	<u>59,28,167</u>
TOTAL	<u><u>4,10,42,641</u></u>	<u><u>4,08,54,343</u></u>
 SCHEDULE 2.05		
STAFF COST		
Salaries & Wages	74,92,380	73,27,220
Contribution to Provident fund	1,43,137	1,70,982
Workmen and Staff Welfare	<u>5,81,559</u>	<u>4,54,225</u>
	<u><u>82,17,076</u></u>	<u><u>79,52,427</u></u>

DIVYASHAKTI GRANITES LIMITED - HYDERABAD

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

PARTICULARS	For the Year Ended 31.03.2010 Rs.	For the Year Ended 31.03.2009 Rs.
SCHEDULE 2.06		
ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Rates and Taxes	75,996	90,801
Service Tax	6,93,365	8,26,763
Travelling Expenses : Inland	10,25,899	8,15,540
Foreign	22,18,338	10,72,274
Remuneration to Directors	12,57,806	8,65,961
Insurance	12,40,259	14,68,723
Printing and Stationery	2,89,827	2,35,460
Postage, Telephones, Fax & Telex	5,73,301	5,34,900
Advertisement Charges	38,571	1,84,542
Professional Charges	25,000	25,000
Business Promotion Expenses	1,48,801	1,17,854
Transport & Freight - Outward	1,20,43,177	1,10,97,232
Maintenance:		
Office	6,92,931	5,85,834
Vehicles	2,54,968	2,88,811
Audit Fees		
Statutory Audit	20,000	20,000
Tax Audit	10,000	10,000
Provision for Gratuity	4,01,123	1,80,181
Volume rebate on export sales	-	31,99,500
Other expenses	17,70,035	20,57,815
Bank Charges	5,81,492	5,41,527
TOTAL	2,33,60,989	2,42,18,718
SCHEDULE 2.07		
FOREIGN EXCHANGE FLUCTUATION		
Exchange Variation - on Export	46,28,504	(2,10,17,159)
Exchange Variation - on Import	(12,46,562)	24,211
Exchange Variation - on Currency	1,44,14,220	(1,99,62,653)
Exchange Variation - on other current assets	2,16,80,220	(2,91,29,101)
Exchange Variation - on current liabilities	(64,31,036)	75,61,529
TOTAL	3,30,45,346	(6,25,23,173)

SCHEDULE 2.08

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 on accrual basis. The amounts due are however credited by the Banks 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 - HYDERABAD

II. NOTES TO ACCOUNTS:

1. Contingent Liabilities.

Rs. in Lakhs

Sl. No.	Particulars	2009-10	2008-09
i	Foreign Letters of Credit opened in favour of Suppliers for which goods are yet to be received.	214.37	Nil
ii	Guarantees given by Bank (BG)	4.75	4.75
iii	Income Tax demands disputed by the Company and are pending in Appeals (Details in Item 2 below)	532.05	Nil

It is considered that no provision is required.

2. Details of Disputed Income Tax Demands (Appeals pending with Appellate Commissioner of Income Tax under IT Act. 1961)

Sl. No.	Assessment Year	Amount (Rs. in lakhs)
1	2003-04	19.27
2	2004-05	1.76
3	2005-06	25.63
4	2006-07	27.26
5	2007-08	38.24
6	2008-09	419.89
	TOTAL	532.05

- The Company has entered into sale agreement for the purchase of office premises at Ameerpet, Hyderabad with M/s. N.V.Rattaiah & Co., at a sale price of Rs.28,42,278/- on 2nd April 1993. The Conveyance deed has not yet been executed.
- 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.
- 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.
- 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.

DIVYASHAKTI GRANITES LIMITED - HYDERABAD

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)			
		2009-10		2008-09	
		Transaction Value : Rs. 33,43,658/-		Rs.18,48,940/-	
		Balance outstanding as on Balance Sheet date : Rs. 10,73,407 (Creditor)		13,89,749/- (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. 40,18,745/- (Creditor)		Rs. 55,18,745/- (Creditor)	
		Amount Written off/Back : Nil		Nil	
	c)	Name of the party : M/s. N.V. Rattaiah & Co., Relationship : A Company in which Managing Director and Executive Directors are Partners. Nature of Transaction : Advance paid for supply of Raw blocks			
		Transaction Value : Nil		Nil	
		Balance outstanding as on Balance Sheet date : Rs. 53,00,000/-		Nil	
		Amount written off/Back : Nil			
9.	Expenditure in Foreign Currency:				
	(i)	Foreign Travelling	Rs. 22,18,338	2008-09	10,72,274
	(ii)	CIF Values of Imports:			
		Raw Material	Rs. 3,08,47,232	4,68,37,129	
		Capital Goods	Rs. NIL	NIL	
		Consumables & Spares	Rs. 1,96,19,664	2,14,94,182	
	(iii)	Earnings in Foreign Currency: (FOB Values of Exports)	Rs. 29,75,24,524	26,34,03,077	
10.	Consumption of Materials:				
		2009-10		2008-09	
		Value (Rs.)	%	Value (Rs.)	%
a)	Raw Material				
	i) Imports	Rs. 3,80,50,996	35.16	3,98,33,505	42.99
	ii) Indigenous	Rs. 7,01,57,493	64.84	5,28,23,514	57.01
b)	Consumables & Spares				
	i) Import	Rs. 2,21,37,831	97.48	1,83,63,629	96.39
	ii) Indigenous	Rs. 5,72,919	2.52	6,87,571	3.61
11.	E.P.S. Calculation :				
		2009-10		2008-09	
	Net Profit after Tax	Rs. 4,83,91,391		11,64,75,354	
	No. of Shares	1,03,50,070		1,03,50,070	
	Earnings per share (EPS)	4.70		11.25	

DIVYASHAKTI GRANITES LIMITED - HYDERABAD

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

	2009-10	2008-09
	(Sq.Mts)	(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	86,573	83,527
ii) Sales - From Factory	86,382	86,594
- Direct Dispatches	7,308	---
(Bought out)		
iii) Closing Stocks	4,299	4,108
d) CONSUMPTION	2009-10	2008-09
	Quantity	Quantity
	Value (Rs.)	Value (Rs.)
i) Granite Raw Blocks	3373 Cu.Mt.	3001 Cu.Mt.
ii) Finished Slabs & Tiles	7308 Sq.Mt.	979 Sq.Mt.
iii) Others	—	---
	2,27,10,750	1,90,51,200

13. Remuneration to Directors :

	2009-10	2008-09
	Rs.	Rs.
(a) Managing Director - Salary	5,57,500	2,82,000
- Perquisites	31,086	1,12,379
(b) Executive Director - Salary	4,57,500	2,52,000
- Perquisites	2,11,720	2,19,582

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

15. Previous year 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
Firm No. 002976 S
RAVI RAMBABU
Partner
M.No. 18541

For and on Behalf of the Board
M.RAMAKRISHNAYYA, IAS (Retd.)
Chairman
N.V.RATTAIAH
Managing Director

Place : HYDERABAD
Date : 26.05.2010

T.H.SASTRY
Director

DIVYASHAKTI GRANITES LIMITED - HYDERABAD

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	1	0
---	---	---	---	---	---	---	---	---	---

Date Month Year Date Month Year

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

Public Issue	Rights Issue	Business Issue	Private Issue												
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L
N	I	L													
N	I	L													
N	I	L													
N	I	L													

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

Total Liabilities	Total Assets												
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>3</td><td>9</td><td>2</td><td>3</td><td>7</td><td>6</td></tr></table>	3	9	2	3	7	6	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>3</td><td>9</td><td>2</td><td>3</td><td>7</td><td>6</td></tr></table>	3	9	2	3	7	6
3	9	2	3	7	6								
3	9	2	3	7	6								

Sources of Funds

Paid-Up Capital	Reserves & Surplus	Secured Loans	Unsecured loans/ Others																			
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>1</td><td>0</td><td>2</td><td>2</td><td>8</td><td>2</td></tr></table>	1	0	2	2	8	2	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>2</td><td>7</td><td>4</td><td>7</td><td>7</td><td>5</td></tr></table>	2	7	4	7	7	5	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>-</td><td>-</td></tr></table>	-	-	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>1</td><td>5</td><td>3</td><td>1</td><td>9</td></tr></table>	1	5	3	1	9
1	0	2	2	8	2																	
2	7	4	7	7	5																	
-	-																					
1	5	3	1	9																		

Application of Funds

Net Fixed Assets	Investments	Net Current Assets	Misc. Expenditure	Accumulated losses																							
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>1</td><td>1</td><td>0</td><td>1</td><td>4</td><td>9</td></tr></table>	1	1	0	1	4	9	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>2</td><td>8</td><td>2</td><td>2</td><td>2</td><td>7</td></tr></table>	2	8	2	2	2	7	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>-</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-	-	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>-</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-	-
1	1	0	1	4	9																						
N	I	L																									
2	8	2	2	2	7																						
-	-	-	-																								
-	-	-	-																								

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

Turnover	Total Expenditure	+/-	Profit/Loss Before Tax	+/-	Profit/Loss After Tax																						
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>3</td><td>0</td><td>7</td><td>6</td><td>6</td><td>8</td></tr></table>	3	0	7	6	6	8	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>2</td><td>5</td><td>3</td><td>0</td><td>2</td><td>3</td></tr></table>	2	5	3	0	2	3	+	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>5</td><td>4</td><td>6</td><td>4</td><td>5</td></tr></table>	5	4	6	4	5	+	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>4</td><td>8</td><td>5</td><td>9</td><td>9</td></tr></table>	4	8	5	9	9
3	0	7	6	6	8																						
2	5	3	0	2	3																						
5	4	6	4	5																							
4	8	5	9	9																							

Earning Per Share	Dividend rate %									
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>R</td><td>s.</td><td>4</td><td>.</td><td>7</td><td>0</td></tr></table>	R	s.	4	.	7	0	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>1</td><td>5</td><td>%</td></tr></table>	1	5	%
R	s.	4	.	7	0					
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 : 26th.05.2010

N.V.RATTIAH
MANAGING DIRECTOR

DIVYASHAKTI GRANITES LIMITED - HYDERABAD

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010

(Rupees)

PARTICULARS	31.03.2010 Rs.	31.03.2009 Rs.	Year Ended 31.03.2010 Rs.	Year Ended 31.03.2009 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net profit before tax and extraordinary items			5,46,44,934	13,02,54,951
Adjustments for :-				
Depreciation	1,64,37,730	1,68,56,064		
Interest	----	----		
Interest Income	(58,45,987)	(96,46,316)		
Miscellaneous expenses written off	----	----		
			1,05,91,743	72,09,748
Operating profit before working capital changes			6,52,36,677	13,74,64,699
Working capital Adjustments for :-				
Trade and other Receivables	93,92,016	(7,54,19,777)		
Inventories	(7,68,268)	(2,44,71,108)		
Trade Payable	(18,43,865)	2,71,99,944		
			67,79,883	(7,26,90,941)
Cash generated from operations			7,20,16,560	6,47,73,758
Income Tax Paid	(1,26,46,286)	(97,30,145)		
Income Tax of earlier period (other than tax on Dividend)	----	----		
			(1,26,46,286)	(97,30,145)
Net cash inflow from operating activities			5,93,70,274	5,50,43,613
B. CASH FROM INVESTING ACTIVITIES:-				
F. E. Fluctuations - Capital items.	----	----		
Interest received	58,45,987	96,46,316		
Purchase/Sale of fixed assets	----	(46,935)		
			58,45,987	95,99,381
Net cash flow from investing activities			58,45,987	95,99,381

DIVYASHAKTI GRANITES LIMITED - HYDERABAD

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010

(Rupees)

PARTICULARS	31.03.2010	31.03.2009	Year Ended	Year Ended
	Rs.	Rs.	31.03.2010	31.03.2009
			Rs.	Rs.
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Issue of Share capital	----	----		
Calls in arrears received	2,000	49,500		
Subsidy	----	----		
Interest paid	----	----		
Dividend paid	(1,50,98,134)	(1,53,40,520)		
Tax on Dividend paid	(26,07,381)	(26,06,118)		
Proceeds from long term borrowings	----	----		
			(1,77,03,515)	(1,78,97,138)
Net Cash flow from financing activities			(1,77,03,515)	(1,78,97,138)
Net increase/(decrease) in cash and cash equivalents (A)+(B)+(C)			4,75,12,746	4,67,45,856
Cash and cash equivalents as at 01.04.2009			17,87,06,555	13,19,60,699
Cash and cash equivalents as at 31.03.2010			22,62,19,301	17,87,06,555

As per our report of even date attached
For **RAMBABU & Co.**,
Chartered Accountants
Firm No. 002976 S
RAVI RAMBABU
Partner
M.No. 18541
Place : HYDERABAD
Date : 26.05.2010

For and on Behalf of the Board
M.RAMAKRISHNAYYA, IAS (Retd.)
Chairman
N.V.RATTAIAH
Managing Director
T.H.SASTRY
Director

DIVYASHAKTI GRANITES LIMITED - HYDERABAD

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 19th Annual General Meeting of the Company to be held on Monday, the 27th
September, 2010 at The Institution of Engineers, Khairatabad, Hyderabad - 500 004, at
11.00 a.m. and at any adjournment thereof.

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 19th Annual General Meeting on Monday, the 27th September,
2010 at 11.00 a.m.

Signature of Member/Proxy

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