

BOARD OF DIRECTORS

Managing Director

Sri N. Hari Hara Prasad

Directors

Sri M.V. Subba Rao

Sri T.H. Sastry

Sri T.V. Chowdary

Sri N.S.R. Chandra Sekhar Rao

Sri N. Bhanu Prasad

Sri T. Ramesh Chandra Bose

Sri S. Srinivas

Smt. Jaishree Nallapati

Auditors:

M/s. Rambabu & Co.

Chartered Accountants

31, Pancom Chambers

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

Somajiguda, Hyderabad - 500482.

BANKERS:

State Bank of Mysore

Andhra Bank

Factory :

Survey No. 432/1& 447,

Narsapur Village,

Medak District.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 23rd ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF DIVYASHAKTI GRANITES LIMITED (CIN: L99999TG1991PLC012764) WILL BE HELD ON TUESDAY THE 30TH SEPTEMBER, 2014 AT 11.00 A.M AT THE INSTITUTION OF ENGINEERS, KHAIRATABAD, HYDERABAD - 500 004 TO TRANSACT THE FOLLOWING BUSINESS:-

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Balance Sheet of the Company as at 31st March, 2014 and Profit and Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To Declare Dividend on Equity Shares.
3. To appoint a Director in place of Shri N.S.R Chandra Sekhar Rao (DIN: 01853982), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
“RESOLVED THAT Pursuant to the provisions of section 139 and all other applicable provisions of the Companies Act, 2013, M/s Rambabu & Co., Chartered Accountants, Hyderabad (Firm Registration No: 002976S) be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Meeting for a period of three years, subject to ratification by the members at every Annual General Meeting, on such

remuneration as may be agreed upon by the Board of Directors, in addition to reimbursement of all out of-pocket expenses in connection with the audit of the accounts of the Company for the financial year ending March 31, 2015.”.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
“RESOLVED THAT pursuant to provisions of sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Tummala Ramesh Chandra Bose (DIN:00160630), who was appointed as an Additional Director with effect from 01.11.2013 pursuant to provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5(five) consecutive years up to 31st March, 2019.”
6. To consider and if thought fit, to pass with or without modification(s), the

following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to provisions of sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri SUNKARA SRINIVAS (DIN: 00194094), who was appointed as an Additional Director with effect from 01.11.2013 pursuant to provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5(five) consecutive years up to 31st March, 2019.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to provisions of sections 149 and 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Smt. JAISHREE NALLAPATI (DIN: 01114306), who was appointed as an Additional Director

with effect from 01.06.2014 pursuant to provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Sri M.V.SUBBARAO (DIN: 02436054.), Independent Director of the Company who under the provisions of the Companies Act, 1956 was liable to retire by rotation and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5(five) consecutive years up to 31st March, 2019.”

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Sri T.H. SASTRY (DIN: 01786600), Independent Director of the Company who under the provisions of the Companies Act, 1956 was liable to retire by rotation and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5(five) consecutive years up to 31st March, 2019.”

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Sri T.V. CHOWDARY (DIN: 00010435), Independent Director of the Company who under the provisions of the Companies Act, 1956 was liable to retire by rotation and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby

appointed as an Independent Director of the Company to hold office for 5(five) consecutive years for a term up to 31st March, 2019.”

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the company's bankers or from any person or persons, Firms, Bodies, Corporate or Financial Institutions in the ordinary course of business, shall not be in excess of Rs. 20 Crores (Rupees TWENTY Crores only) over and above the aggregate of the paid up share capital and free reserves of the Company.

12. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 180(1)(a) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the

DIVYASHAKTI GRANITES LIMITED - HYDERABAD

Company be and is hereby accorded to authorize the Board to mortgage and /or create charge to the extent of Borrowing limits of the Board of Directors, of all or any of the movable or immovable properties both present and future or the whole or substantially the whole of the undertakings of the Company to or in favour of any Financial Institutions, Banks, NBFCs, any person or persons, Firms, or any other Agencies to secure the term loans and/or other financial assistance that has been or may in future be granted by them to the Company from time to time.”

13. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactments thereof for the time being in force) consent of the members be and is hereby accorded for entering into related party transactions by the company with effect from 01 October 2014 up to the maximum amounts as stated herein below:

Sl. No.	Nature of Transactions as per section 188 of the Companies Act, 2013	Name of the Director/KMP who is related and nature of their relationship	Name of the Related Party Companies	Amount (Rupees in Lakhs)
01	Availing or rendering of any services	Sri N.Hari Hara Prasad and other common Directors and shareholders	Divyashakti Housing Constructions Limited	200
		Sri N.Hari Hara Prasad and their relatives are Partners in Firm	N.V.Rattaiah & Co.	300
02	Sale, Purchase or Supply of any Goods or Materials	Sri N.Hari Hara Prasad and other common Directors and shareholders	Universal Extrusions Pvt. Ltd.	200
		Sri N.Hari Hara Prasad and other common Directors and shareholders	Universal Marketing Agencies Pvt. Ltd	300
Directors/KMPs/ Relatives of KMPs/ Directors				
03	Availing or rendering of any services	Directors/KMPs/ Relatives of KMPs/ Directors	Directors/KMPs/ Relatives of KMPs/ Directors	200

For and on behalf of the Board

N.HARI HARA PRASAD
Managing Director

Place: Hyderabad
Date: 30th May, 2014

DIVYASHAKTI GRANITES LIMITED - HYDERABAD

NOTES

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on poll instead of himself/herself and a proxy need not be a member of the company. The instrument of Proxy in order to be effective should be deposited at it's Registered Office of the Company not later than forty eight hours before the commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholders.

2. The Register of Members and Share Transfer Books of the Company will remain closed from 24-09-2014 to 30-09-2014 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
3. Dividend at 15% (Rs. 1.50 per Equity Share of Rs.10/-) of the paid up capital for the year as recommended by the Board of Directors, if declared at the Annual General Meeting, the same will be payable to those Members whose names appear on the Register of Members as on 24.09.2014.
4. The Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.
5. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc

from the Company electronically.

6. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 23rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

It may be noted that this e-voting facility is optional. The e-voting facility will be available at the link <https://www.evoting.nsdl.com/> during the following voting period:

Commencement of e-voting: From 9 A.M. on 22nd September, 2014 to 6 P.M. on 24th September, 2014.

7. Process and Manner for Shareholders opting for e-voting is as under:-
 - i. Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>
 - ii. Click on Shareholder-Login
 - iii. If you are already registered with NSDL for e-voting, then you can use your existing User ID and Password for Login.
 - iv. If you are logging in for the first time, please enter the User ID and Password provided in enclosed form.
 - v. The Password Change Menu will appear on your screen. Change to a new Password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of the both. Please take utmost care to keep your Password confidential.

- vi. Once the e-Voting home page opens, click on e-Voting> Active Voting Cycles.
 - vii. Select the EVEN (E-Voting Event Number) of Divyashakti Granites Limited (the number is provided in enclosed form). Once you enter the number, the Cast Vote page will open. Now you are ready for e-voting.
 - viii. Cast your vote by selecting appropriate option and click on Submit and Also Confirm when prompted. Please note that once your vote is cast on the selected resolution, it cannot be modified.
 - ix. Institutional shareholder (i.e other than individuals, HUF, NRIs, etc.) are required to send a scanned copy (PDF / JPG format) of the relevant board resolution/ authority letter, etc., together with the attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer via email at :pjagan123@gmail.com, with a copy marked to evoting@nsdl.co.in.
 - x. In case of any queries, please refer to the Frequently Asked Questions (FAQs) for members and the e-voting user manual for members available in the 'Downloads' section of <https://www.evoting.nsdl.com>. You can also contact NSDL via email at evoting@nsdl.co.in.
- of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 22, 2014, may cast their vote electronically. The e-voting module shall also be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- b. Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 22, 2014 and not casting their vote electronically, may only cast their vote at the Annual Genel Meeting.
 - c. Mr. Puttaparthi Jagannatham, Advocate, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - d. The Scrutinizer shall, within a period of not exceeding three working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.
 - e. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 22nd August, 2014. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.divyashakti.com and on the website of NSDL within two days of the passing of the resolutions at 23rd Annual General Meeting of the Company on Tuesday, September, 30, 2014 and communicated to the BSE Ltd.

General Instructions:

- a. The e-voting period commences on September 22, 2014 (9.00 a.m.) and ends on September 24, 2014 (6.00 p.m.) During this period, shareholders

**EXPLANATORY STATEMENT
PURSUANT TO SECTION 102 OF
THE COMPANIES ACT, 2013.**

ITEM NO. 5 & 6:

The Board of Directors of the Company appointed pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company Shri Tummala Ramesh Chandra Bose and Shri Sunkara Srinivas as Additional Directors of the Company with effect from 1st November, 2013 and in terms of the provisions of Section 161(1) of the Act, Shri Tummala Ramesh Chandra Bose and Shri Sunkara Srinivas would hold office upto the date of the ensuing Annual General Meeting.

The Company has received notices in writing from members along with the deposit of requisite amount under section 160 of the Act proposing the candidatures of each of Shri Tummala Ramesh Chandra Bose and Shri Sunkara Srinivas for the office of the Director(s) of the Company.

Shri Tummala Ramesh Chandra Bose and Shri Sunkara Srinivas are not disqualified from being appointed as a Directors in terms of Section 164 of the Act and have given their consent to act as a Directors.

Section 149 of the Act inter alia stipulates the criteria of Independence in a company proposing to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5(five) consecutive years on the Board of the Company and he shall not be included in the total number of directors for retirement by rotation.

The Company has also received declarations from Shri Tummala

Ramesh Chandra Bose and Shri Sunkara Srinivas that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under clause 49 of the Listing Agreement, Shri Tummala Ramesh Chandra Bose and Shri Sunkara Srinivas possess appropriate skills, experience and knowledge.

In the opinion of the Board, Shri Tummala Ramesh Chandra Bose and Shri Sunkara Srinivas fulfill the conditions for their appointment as independent Directors as specified in the Act and the Listing Agreement. Shri Tummala Ramesh Chandra Bose and Shri Sunkara Srinivas are independent of management.

Brief resume of Shri Tummala Ramesh Chandra Bose and Shri Sunkara Srinivas, nature of their expertise in specific functional areas and names of companies in which they hold directorship and memberships/ chairmanships of Board Committees, shareholding as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are forming part of the Annual Report

Keeping in view their vast expertise and knowledge, it will be in the interest of the Company that Shri Tummala Ramesh Chandra Bose and Shri Sunkara Srinivas are appointed as Independent Directors.

Copy of the draft letters for respective appointment of Shri Tummala Ramesh Chandra Bose and Shri Sunkara Srinivas as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered office of the Company

This statement may also be regarded as a disclosure under clause 49 of the Listing Agreement with the Stock Exchange.

Shri Tummala Ramesh Chandra Bose and Shri Sunkara Srinivas are interested in the resolutions set out respectively at item Nos. 5&6 of the Notice with regard to their respective appointment.

Save and except the above, None of the Directors/ Key Managerial personnel / their relatives are in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board of Directors recommend the ordinary resolutions set out at item Nos. 5&6 of the Notice for approval by the shareholders.

ITEM NO. 7:

The Board of Directors of the Company appointed pursuant to the provisions of Sections 149(1) and 161(1) of the Act Smt. Jaishree Nallapati as Additional Director of the Company with effect from 1st June, 2014 and In terms of the provisions of Section 161 (1) of the Act, Smt. Jaishree Nallapati would hold office upto the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under section 160 of the Act proposing the candidature of Smt. Jaishree Nallapati for the office of the Director of the Company.

Smt. Jaishree Nallapati is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

As per the provisions of Section 149(1) of the Act and amended Clause 49 of the Listing Agreement, the Company should have atleast one woman Director. She holds 505983 equity shares in the Company.

The Board of Directors recommend the resolution for approval of the members.

Brief Resume of Smt. Jaishree Nallapati and nature of her expertise in specific functional areas and names of companies in which she holds directorship and memberships/ chairmanships of Board Committees, shareholding as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is forming part of the Annual Report

This statement may also be regarded as a disclosure under clause 49 of the Listing Agreement with the Stock Exchange.

Smt. Jaishree Nallapati may be deemed to be concerned or interested, financially or otherwise, to the extent of the aforesaid shareholding in respect of her appointment as Director. Shri N. Hari Hara Prasad who is her relative and the Managing Director of the Company and their other relatives, to the extent of their shareholding interest and Directorship in the Company, may be deemed to be concerned or interested in the appointment of Smt. Jaishree Nallapati

Save and except the above, none of other Director/Key Managerial personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise in the resolution set out at item no.7 of the Notice.

ITEM NO. 8, 9 & 10:

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Shri. Movva Venkata Subba Rao, Shri. Tadepalli Hanumath Sastry and Shri. Thati Venkataswamy Chowdary as Independent Directors in compliance with the requirements of the clause.

Pursuant to the provisions of section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one third of the total number of directors as independent directors, who are not liable to retire by rotation.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter-alia stipulating the conditions for the appointment of independent Directors by a listed company.

It is proposed to appoint Shri. Movva Venkata Subba Rao, Shri. Tadepalli Hanumath Sastry and Shri. Thati Venkataswamy Chowdary as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5(Five) consecutive years upto 31st March, 2019.

Shri. Movva Venkata Subba Rao, Shri. Tadepalli Hanumath Sastry and Shri. Thati Venkataswamy Chowdary are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as a Directors.

The Company has received notices in writing from members along with the deposit of requisite amount under section 160 of the Act proposing the candidatures of each of Shri. Movva

Venkata Subba Rao, Shri. Tadepalli Hanumath Sastry and Shri. Thati Venkataswamy Chowdary for the office of the Directors of the Company.

The Company has also received declarations from Shri. Movva Venkata Subba Rao, Shri. Tadepalli Hanumath Sastry and Shri. Thati Venkataswamy Chowdary that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under clause 49 of the Listing Agreement.

In the opinion of the Board, Shri. Movva Venkata Subba Rao, Shri. Tadepalli Hanumath Sastry and Shri. Thati Venkataswamy Chowdary fulfill the conditions for their appointment as independent Directors as specified in the Act and the Listing Agreement. Shri. Movva Venkata Subba Rao, Shri. Tadepalli Hanumath Sastry and Shri. Thati Venkataswamy Chowdary are independent of management.

Brief resumes of Shri. Movva Venkata Subba Rao, Shri. Tadepalli Hanumath Sastry and Shri. Thati Venkataswamy Chowdary and nature of their expertise in specific functional areas and names of companies in which they hold directorship and memberships/ chairmanships of Board Committees, shareholding as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are forming part of the Annual Report

Copies of the draft letters for respective appointments of Shri. Movva Venkata Subba Rao, Shri. Tadepalli Hanumath Sastry and Shri. Thati Venkataswamy Chowdary as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered office of the Company

This statement may also be regarded as a disclosure under clause 49 of the Listing Agreement with the Stock Exchange.

Shri. Movva Venkata Subba Rao, Shri. Tadepalli Hanumath Sastry and Shri. Thati Venkataswamy Chowdary are interested in the resolutions set out respectively at item 8,9 & 10 of the Notice with regard to their respective appointments.

Save and except the above, None of the other Directors, Key Managerial personnel and their relatives are in any way, concerned or interested, financially or otherwise, in these resolution.. The Board of Directors recommend the ordinary resolutions set out at item Nos. 8, 9 &10 of Notice for approval by the Shareholders.

ITEM NO .11 & 12

The members of the Company at its Extra-ordinary General Meeting held on 9th January, 1993, had accorded their consent to the Board of Directors for borrowing up to Rs.12 Crores under Section 293(1)(d) of the Companies Act, 1956, However, with the passing Companies Act, 2013, resolution passed under Section 293(1) (d) & 293(1)(a) of the Companies Act, 1956 are valid only upto 11th September, 2014.

Hence, the consent of the members is therefore, sought in accordance with the provisions of Section 180(1)(c) of the Companies Act, 2013 to enable the Board of Directors to borrow monies, provided that the total amount so borrowed by the Board shall not at any time exceed Rs.20 Crores (Rupees TWENTY Crores only).

The borrowings of the Company may, if necessary, be secured by way of creation of charges/ mortgage/ hypothecation on the Company's assets in favour of the company's bankers or any person or persons,

Firms, Bodies, Corporate or Financial Institutions. Hence, it is necessary to pass a resolution under Section 180(1)(a) of the Companies Act, 2013 for creation of charges/mortgages/ hypothecations etc., for an amount not exceeding Rs.20 Crores (Rupees TWENTY Crores only).

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolutions set out at Item Nos. 11 and 12 except to the extent of shares held by them in the Company.

The Board recommends the Special Resolutions set forth in Item Nos. 11 & 12 for approval of the shareholders.

ITEM NO. 13

Pursuant to Section 188 of Companies Act, 2013 read with Rule 15(3) of Companies (Meetings of Board and its Powers) Rules, 2014 any company having a paid-up share capital of Ten Crores Rupees or more shall not enter into a contract or arrangement with any related party other than transactions which are done in the ordinary course of business and at arm's length price unless it has obtained prior consent of shareholders by passing a Special resolution.

In view of the provisions of Companies Act, 2013, the Board of Directors has approved the proposed transactions along with annual limits that your company may enter into related parties. The particulars of the transaction pursuant to the provisions of Section 188 and the Companies (Meetings of Board and its Powers) Rules, 2014 are as under:

DIVYASHAKTI GRANITES LIMITED - HYDERABAD

- (1) Name of the Related Party : Divyashakti Housing Constructions Limited
N.V.Rattaiah & CO.
Universal Extrusions Private Limited
Universal Marketing Agencies Private Limited
- (2) Name of the Director or Key Managerial Personnel who is related, if any : Sri N. Hari Hara Prasad
- (3) Nature of Relationship : DIRECTOR

Name of the Related Party	Name of the Director/KMP who is related and their nature of Relationship
Divyashakti Housing Constructions Limited N.V.Rattaiah & CO. Universal Extrusions Private Limited Universal Marketing Agencies Pvt. Limited	SRI N.HARI HARA PRASAD
Directors/KMPs/ Relatives of KMPs/ Directors	-----

- (4) Nature, material terms, monetary value and particulars of the contract or arrangement:

The details are as mentioned below:

Name of the related party	Nature of Transaction	Particulars	Maximum Amount per annum (Rs. In Lakhs)
Companies			
Divyashakti Housing Constructions Limited N.V.Rattaiah & CO.	Availing or rendering of any services	Constructions activities	200
Universal Extrusions Private Limited Universal Marketing Agencies Pvt. Limited	Sale, Purchase or Supply of any Goods or Materials	Supply of Packing Materials Supply of Granites slabs	200 300
Directors/KMPs/ Relatives of KMPs/ Directors			
Directors/KMPs/ Relatives of KMPs/ Directors	Availing or rendering of any services	-	200

Members are hereby informed that pursuant to second proviso of Section 188 (1) of the Companies Act, 2013 no interested member of the company shall vote on such special resolution to approve any contract or arrangement which may be entered into by the company as special resolution.

Except for the promoter Directors and Key managerial Personnel, no other Director is interested in the resolution.

For and on behalf of the Board

Place: Hyderabad
Date: 30th May, 2014

N.HARI HARA PRASAD
Managing Director

Details of Directors Seeking reappointment/APPOINTMENT at the Annual General Meeting

Particulars	Shri NALLAPATI SIVA RAMA CHANDRA SEKHARA RAO	Shri TUMMALA RAMESH CHANDRA BOSE	Shri SUNKARA SRINIVAS	Smt JAISHREE NALLAPATI
Date of Birth	25th December 1942	15th January 1941	30th July 1964	20th May 1973
Date of Appointment	28th January 1993	1st November 2013	1st November 2013	1st June 2014
Qualifications & Expertise	BE (Electrical) Experience as Electrical Contractor for over 16 years.	BE (Electrical) Retired as Director -Projects in Andhra Pradesh Transmission Corporation (APTRANSCO).	BE (Mechanical) Working as Managing Director of Indian Timber Products Pvt. Ltd.	B.Com., & LLB Working as Managing Director of Jaihari Eco Products Pvt. Ltd.
Directorship held in other Public Companies	Nil	1 Vijai Electricals Limited. 2 Countrywide Power Transmission Limited 3 Sew Infrastructure Limited. 4 IVRCL Infrastructure Limited. 5 Kakatiya Cement & Sugars Ltd. 6 Kartikeya Power Logics Pvt. Ltd.	Indian Timber Products Pvt. Ltd.	Jaihari Eco Products Pvt. Ltd.
Memberships / Chairmanships of committees of other public companies (including only Audit and Shareholders Grievance Committee)	Nil	Nil	Nil	Nil
Number of shares held in the Company	157760	Nil	Nil	505983

DIVYASHAKTI GRANITES LIMITED - HYDERABAD

Details of Directors Seeking reappointment/APPOINTMENT at the Annual General Meeting

Particulars	SHRI MOVVA VENKATA SUBBA RAO	SHRI. TADEPALLI HANUMATH SASTRY	SHRI. THATI VENKATASWAMY CHOWDARY
Date of Birth	4th February, 1929	27th April 1940	1st June 1943
Date of Appointment	28th January 1993	28th January 1993	28th January 1993
Qualifications & Expertise	B.E. (Civil) Retired as an Executive Engineer from Public Wealth Department in Government of Andhra Pradesh.	M.Sc (Geology) & I.A.S.M Worked as Director of Mines & Geology (Govt. of A.P) (Retd.).	BE(Mining) & MBA Worked as Director of Mines & Geology. (Govt. of A.P.)(Retd.)
Directorship held in other Public Companies	Nil	Nil	Trimex Industries Pvt Ltd. Pokarna Limited Trimex Ores Pvt. Ltd. Trimex sands Pvt. Ltd. Regma Ceramics Ltd. Trimex Barite Pvt. Ltd. Pokarna Engineered Stone Ltd. Trimex Aggregates and Binders Pvt. Ltd.
Memberships/Chairmanships of committees of other public companies (including only Audit and Shareholders Grievance Committee)	Nil	Nil	Nil
Number of shares held in the Company	Nil	Nil	Nil

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure to present the 23rd Annual Report and the Audited Accounts for the financial year ended 31st March, 2014

OPERATIONS

2013-2014

Your Company has exported polished granite slabs and polished monuments valued at Rs.5944 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.2294 lakhs made during the year, about 45% are imported from Brazil, Finland, Norway etc.

The year closed on a positive note with export orders on hand to the tune of Rs.260 lakhs as compared to Rs.280 lakhs of last year. In spite of the problems faced by the Granite Industry and the all-round 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.987 lakhs.

FINANCIAL RESULTS

	Year ended 31.03.2014 (Rs.in lakhs)	Year ended 31.03.2013 (Rs.in lakhs)
Sales	6078.07	5090.71
Gross Operating Profit before depreciation and exchange variation	1213.06	933.64
Profit after depreciation but before exchange variation	1109.63	832.33
Profit after depreciation, exchange variation and before Exceptional Items	1515.94	1088.77
Profit after Exceptional items	1515.94	2133.97
Profit after Tax	989.04	1557.92

DIVIDEND

Your Directors are pleased to recommend for your consideration a Dividend of 15% (Rs. 1.50 per share of face value Rs.10/-) on the equity capital of the company for the financial year ended 31st March, 2014, aggregating an amount of Rs.154.51 lakhs.

CORPORATE SOCIAL RESPONSIBILITY AND GOVERNANCE COMMITTEE

During the year, your directors have constituted the corporate social responsibility committee (CSR Committee) comprising Shri T. Ramesh Chandra Bose as the Chairman and Mr. T.H. Sastry and Shri S. Srinivas as other Members.

HUMAN RESOURCE MANAGEMENT, BRANDING AND QUALITY

The Company has created a favorable 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 has not accepted any fixed deposits from the public.

AUDITORS

M/s Rambabu & Co, Chartered Accountants, Independent Auditors of the Company will retire at the forthcoming Annual General Meeting and are eligible for reappointment. In accordance with the Companies Act 2013, it is proposed to appoint them from the

DIVYASHAKTI GRANITES LIMITED - HYDERABAD

conclusion of this Annual General Meeting till the conclusion of Twentysixth Annual General Meeting, subject to the approval of shareholders

DIRECTORS

1. In accordance with the Companies Act, 2013, Shri N.S.R Chandra Sekhar Rao retires by rotation and being eligible, offers himself for reappointment.
2. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and Articles of Association of the Company, Shri T. Ramesh Chandra Bose and Shri S. Srinivas were appointed as additional Directors designated as Independent Directors of the Company with effect from 1st November, 2013, and they shall hold the office upto the date of the ensuing Annual General Meeting. The Company has received requisite notices in writing from members proposing Shri T. Ramesh Chandra Bose and Shri S. Srinivas for appointment as Independent Directors.
3. Pursuant to the provisions of Sections 149(9) 161(1) of the Companies Act, 2013 Smt Jaishree Nallapati was appointed as additional Director of the Company with effect from 1st June, 2014 and she shall holds the office upto the date of the ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing Smt. Jaishree Nallapati for appointment as Director.
4. In respect of Shri. Movva Venkata Subba Rao, Shri. Tadepalli Hanumath Sastry and Shri. Thati Venkataswamy Chowdary, the Company has received requisite notices in writing from members proposing them for appointment as Independent Directors.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

1. In the preparation of the annual accounts for the year ended March 31, 2014, the applicable accounting standards have been followed;
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at March 31, 2014 and of the profit of the Company for the year ended on that date;
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
4. The Directors have prepared the annual accounts of the Company 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 Bombay Stock exchange at Mumbai. The company confirms that it has paid Annual Listing Fees due to the Bombay Stock Exchange for the year 2013-2014.

FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Foreign Exchange Earnings : Rs. 5944.48 Lakhs
- b) Foreign Exchange Outgo : Rs. 1632.45 Lakhs

DEPOSITORY SYSTEM

As the Members are aware, your Company's shares are tradable 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.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion and Analysis Report as required under 49 of the listing agreement with stock exchange forms part of this report.

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

(N.HARI HARA PRASAD)
Managing Director

(T.H.SASTRY)
Director

Place : Hyderabad
Date : 30th May, 2014.

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

	2013-14	2012-13
1. Electricity		
a) Purchased Units	2468465	2481123
Total Amount (Rs. in lakhs)	207.94	173.98
Average Cost/Unit (Rs./KWH)	8.42	7.06
b) Own Generation		
Through Diesel Generator		
Total Units	234720	560720
Total Amount (Rs. in lakhs)	40.53	83.34
Units per liter of Diesel Oil	3.26	3.26
Average Cost/Unit (Rs./KWH)	17.27	14.86
(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 endeavor 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 at present composed of Nine (9) Directors, out of whom One (1) is Managing Director and Eight are Non-Executive 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 four 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 N.Hari Hara Prasad	4	Yes	5
2	Shri T.H.Sastry	4	Yes	Nil
3	Shri T.V.Chowdary	4	Yes	8
4	Shri M.V.Subba Rao	Nil	No	Nil
5	Shri N.S.R.C.Sekhar Rao	2	No	1
6	Shri N.Bhanu Prasad	1	No	4
7	Shri T.R.Chandra Bose	1 *	No *	6
8	Shri S.Srinivas	1 *	No *	1
9	Smt N.Jaishree	1 **	No **	1

* Joined the Board on 01.11.2013

** Joined the Board on 01.06.2014

The dates of Board Meetings held during the year under review are: 27.05.2013, 31.07.2013, 30.10.2013, and 28.01.2014.

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 Member	Designation	No. of Meetings attended	Remarks
Shri M.V.Subba Rao	Chairman	1	---
Shri T.H.Sastry	Member	4	---
Shri N.S.R.C.Sekhara Rao	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.

Name of Members	Designation
1. Shri T.V.Chowdary	Chairman
2. Shri M.V.Subba Ra	Member
3. 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.2.07 of Notes forming part of the financial statements 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

1. In accordance with the Companies Act, 2013, Shri N.S.R Chandra Sekhar Rao retires by rotation and being eligible, offers himself for reappointment.
2. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and Articles of Association of the Company, Shri T. Ramesh Chandra Bose and Shri S. Srinivas were appointed as additional Directors designated as

Independent Directors of the Company with effect from 1st November, 2013, and they shall hold the office upto the date of the ensuing Annual General Meeting. The Company has received requisite notices in writing from members proposing Shri T. Ramesh Chandra Bose and Shri S. Srinivas for appointment as Independent Directors.

3. Pursuant to the provisions of Sections 149(9) 161(1) of the Companies Act, 2013 Smt Nallapati Jaishree was appointed as additional Directors of the Company with effect from 1st June, 2014 and she shall hold the office upto the date of the ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing Smt. Nallapati Jaishree for appointment as Director, who is liable to retire by rotation.
4. In respect of Shri Movva Venkata Subba Rao, Shri Tadepalli Hanumath Sastry and Shri Thati Venkataswamy Chowdary, the Company has received requisite notices in writing from members proposing them for appointment as Independent Directors.

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.
- c) Compliance Certificate of the Auditors:
Certificate of the Statutory Auditor's has been obtained on the compliance of the conditions of Corporate Governance in terms of Clause 49 of the Listing Agreement with stock exchanges and the same is annexed.
- d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause.
The Company has fully complied with the mandatory requirements of Clause 49 of the listing agreement of the stock exchange. Further, the Company has adopted non-mandatory requirement of Clause 49 of the listing agreement, viz., Remuneration committee of the Board which has been constituted to determine the remuneration package of the Executive Director.
- e) The Management Discussion and Analysis is a part of this Annual Report.

MEANS OF COMMUNICATION

Quarterly/Half Yearly Financial Results of the Company are forwarded to the Bombay Stock Exchanges 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 Newspapers.

- 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 its market areas for it's 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
20th AGM	The Institution of Engineers, Khairatabad, Hyderabad.	26.09.2011	10.00 a.m	Yes
21st AGM	- DO -	26.09.2012	10.00 a.m	No
22nd AGM	- DO -	30.09.2013	11.00 a.m	Yes

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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 : 23rd AGM
Date : 30th September, 2014
Time : 11.00 a.m
Venue : The Institution of Engineers
Khairatabad, Hyderabad-500 004
- b) Financial Calendar : 1st April to 31st March
- c) Date of Book Closure : 24-09-2014 TO 30-09-2014
- d) Dividend Payment Date : ON OR BEFORE 30.10.2014
- e) Registered Office : DIVYASHAKTI GRANITES LIMITED
Divyashakti Complex, 3rd Floor,
Flat Nos. 301-304, 7-1-58,
Ameerpet, HYDERABAD – 500 016.
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
- i) Market Price Data :

Month	BSE		
	High (Rs.)	Low (Rs.)	No. of Shares
April, 13	25.10	22.00	1661
May, 13	24.25	20.00	1397
June, 13	26.90	20.30	450
July, 13	26.70	19.05	2963
August, 13	28.00	20.20	2802
September, 13	28.35	22.10	28978
October, 13	25.65	21.15	2626
November, 13	28.45	24.75	15954
December, 13	29.00	26.00	25223
January, 14	28.00	25.00	22240
February, 14	27.00	23.90	23032
March, 14	26.50	22.05	18281

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j) Registrar & Share Transfer Agent : VENTURE CAPITAL AND CORPORATE INVESTMENTS PVT. LTD.
(Physical and Electronic) H.No.12-10-167, Bharatnagar,
Hyderabad - 500 018.
Phone: 040-23818472/23818476/2386
Fax: 040-23868024,
Email: info@vccilindia.com

k) Share Transfer Systems :

Transfer of Securities in physical form are registered and duly transferred share certificates are dispatched within fifteen (15) days of receipt, provided the transfer documents are in order.

l) Distribution of Shareholdings (As on 31.03.2014)

Share Holdings	No.of Shareholdings	% of total	No.of Shares	% of total
Up to 500	4612	89.50	695882	6.72
501 - 1000	250	4.85	214333	2.07
1001 - 2000	138	2.68	216711	2.09
2001 - 3000	49	0.95	128222	1.24
3001 - 4000	18	0.35	63342	0.61
4001 - 5000	19	0.37	90933	0.88
5001 – 10000	13	0.25	91668	0.89
10001 & above	54	1.05	8848979	85.50
Total	5153	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 : DIVYASHAKTI GRANITES LIMITED
Survey No.432/1 & 447,
Narsapur Village, Medak District, A.P.

o) Code of Conduct and Ethics:

The Board of Directors of the Company has formulated a code of conduct and ethics applicable to all the Members of the Board of Directors and Senior Management Personnel of the Company.

A detail declaration along with a certificate of compliance appears in the Annexure to the Corporate Governance Report.

p) Compliance Officer : Shareholders can correspond at the Registered office of the Company at Hyderabad with Mr. D.N.SATYANARAYANA, Compliance Officer.

**MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER (CEO)
CERTIFICATAON**

To

The Board of Directors' of Divyashakti Granites Limited.

Dear Sirs,

Sub: Managing Director/Chief Executive Officer (CEO) Certification

Pursuant to the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges:

We have reviewed the financial statements and the cash flow statement of Divyashakti Granites Limited for the year ended March 31, 2014 and that to the best of our knowledge and belief, we state that:

- (a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) These statements together present a true and fair view of the company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, and the steps they have taken or proposed to be taken to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee:
 - (i) Significant changes, if any, in internal control over financial reporting during the year;
 - (ii) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) That there were no instances of significant fraud of which we have become aware.

Place: Hyderabad,
Date: 30th May, 2014.

N.HARI HARA PRASAD
Managing Director/CEO

DECLARATION BY THE MANAGING DIRECTOR OF THE COMPANY ON CODE OF CONDUCT

I hereby declare that:

1. The Code of Conduct for the Board Members and Senior Management of the company was approved by the Board of Directors in the Board Meeting and the same was adopted by the Company.
2. The Code of Conduct adopted by the Company was circulated to the members of the Board and Senior Management of the Company and is also posted on the website of the Company.
3. All the members of the Board and Senior Management of the Company have complied with all the provisions of the Code of Conduct.

For and on behalf of the Board

Place: HYDERABAD,
Date: 30th May, 2014.

N. HARI HARA PRASAD
Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of,
DIVYASHAKTI GRANITES LIMITED
HYDERABAD.

We have examined the compliance of conditions of Corporate Governance by Divyashakti Granites Limited for year ended 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. 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 above mentioned listing agreements(s).

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

For PUTTAPARTHI JAGANNATHAM & CO.,
COMPANY SECRETARIES

Place: Hyderabad.
Date: 30th May, 2014.

P. PRAKASH REDDY
PARTNER
CP No. 11777

INDEPENDENT AUDITOR'S REPORT

To the Members of
DIVYASHAKTI GRANITES LIMITED.

Report on Financial Statements

We have audited the accompanying financial statements of DIVYASHAKTI GRANITES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 . This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b. In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regularity Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. 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;
 - b. 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.
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For RAMBABU & Co.
Chartered Accountants
Firm Reg. No.002976S

Ravi Rambabu
Partner
M No. 018541

Place: Hyderabad
Date: 30th May, 2014

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

1. In respect of its fixed asset;
 - (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
 - (c) During the year, the company has not disposed of substantial part of the Assets. According to the information and explanations given to us, we are of the opinion that no transactions are effected involving disposal of assets so as to affect going concern status of the company.

2. In respect of Inventories;
 - (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.

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) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.
 - (b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses of this clause are not applicable to the company.

4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories and fixed assets and payment for expenses and for sale of goods. During the course of our audit, no major

instance of continuing failure to correct any weaknesses in the internal controls has been noticed.

5. In respect of the contracts or arrangements referred to in section 301 of the companies Act 1956;
 - a. Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
 - 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. According to the information and explanation given to us, the Company has not accepted any deposits from the public. Therefore the provisions of clause (vi) of paragraph 4 of the order are not applicable to the company.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub section (1) of section 209 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. In respect of statutory dues;
 - a. According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2014 for a period of more than six months from the date they became payable.
 - b. According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. The Company does not have any accumulated losses and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.

DIVYASHAKTI GRANITES LIMITED - HYDERABAD

11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is 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. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the year under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For RAMBABU & Co.
Chartered Accountants
Firm Reg. No.002976S

Ravi Rambabu
Partner
M No. 018541

Place: Hyderabad
Date: 30th May, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

PARTICULARS	Note No.	AS AT 31.03.2014 Rs.	AS AT 31.03.2013 Rs.
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	1.01	10,30,08,200	10,30,08,200
(b) Reserves & Surplus	1.02	59,66,02,970	51,57,75,929
(2) Non-current Liabilities			
(a) Deferred Tax liabilities (Net)	1.03	73,82,495	87,48,080
(3) Current Liabilities			
(a) Trade Payables	1.04	3,99,95,312	3,86,44,283
(b) Other Current Liabilities	1.05	5,15,60,023	7,16,80,925
(c) Short-Term Provisions	1.06	2,30,73,294	2,17,25,684
TOTAL		82,16,22,294	75,95,83,101
II ASSETS			
(1) Non-current assets			
(a) Fixed Assets			
Tangible Assets	1.07	7,35,81,420	8,39,24,910
(b) Long term loans and advances	1.08	34,64,260	29,06,760
(2) Current Assets			
(a) Inventories	1.09	12,57,47,771	10,89,56,925
(b) Trade receivables	1.10	29,94,62,412	32,08,06,658
(c) Cash & Cash equivalents	1.11	31,25,97,815	22,59,41,557
(d) Short-term loans and advances	1.12	54,92,847	1,55,27,541
(e) Other current assets	1.13	12,75,769	15,18,750
Significant Accounting Policies & Notes forming part of the Financial Statements.			
TOTAL		82,16,22,294	75,95,83,101

As per our Report of even date attached

For RAMBABU & Co.,
Chartered Accountants
Firm Reg. No. 002976 S

RAVI RAMBABU
Partner
Membership No.18541

Place : HYDERABAD
Date : 30th May, 2014.

For and on Behalf of the Board

N. HARI HARA PRASAD
Managing Director

T.H.SASTRY
Director

T.V.CHOWDARY
Director

DIVYASHAKTI GRANITES LIMITED - HYDERABAD

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

PARTICULARS	Note No.	For the Year ended 31.03.2014 Rs.	For the Year ended 31.03.2013 Rs.
I REVENUE FROM OPERATIONS	2.01		
Sale of Products (Exports)		51,97,85,901	43,52,71,367
Sale of Products (DTA sales)		<u>1,53,34,062</u>	<u>1,78,49,172</u>
		53,51,19,963	45,31,20,539
Less: Excise Duty		<u>19,75,546</u>	<u>20,97,147</u>
		53,31,44,417	45,10,23,392
Sale of Traded goods (Exports)		<u>7,46,62,806</u>	<u>5,80,47,870</u>
REVENUE FROM OPERATIONS (Net)		60,78,07,223	50,90,71,262
II OTHER INCOME	2.02	<u>5,22,48,880</u>	<u>4,43,64,326</u>
III TOTAL REVENUE (I+II)		66,00,56,103	55,34,35,588
IV EXPENSES			
(a) Cost of Materials Consumed	2.03	27,99,44,254	22,74,40,328
(b) Purchases of Traded goods	2.04	5,80,13,399	4,71,30,674
(c) Change of Inventories of finished goods and work-in-progress-(accretion)/decretion	2.05	(22,11,513)	(10,97,142)
(d) Manufacturing Expenses	2.06	11,12,60,593	11,06,47,776
(e) Employees benefit expense	2.07	1,79,53,363	1,95,09,526
(f) Finance Cost	2.08	8,98,788	10,35,055
(g) Depreciation and amortization expenses	1.08	1,03,43,490	1,01,30,913
(h) Other Expenses	2.09	<u>3,22,59,966</u>	<u>2,97,61,595</u>
Total Expenses		50,84,62,340	44,45,58,725
V Profit before exceptional items (III - IV)	(A-B)	15,15,93,763	10,88,76,863
VI Exceptional Items		-----	<u>10,45,20,449</u>
VII Profit before Tax		15,15,93,763	21,33,97,312
VIII Tax Expenses			
(1) Current Tax		4,95,90,000	4,27,40,963
(2) Tax expenses relating to earlier years		44,65,140	1,57,20,252
(3) Deferred Tax (Asset)		<u>(13,65,585)</u>	<u>(8,55,655)</u>
IX Net Profit for the year		9,89,04,208	15,57,91,752
X Earning per share	2.10		
(Par value per share Rs.10/-each)			
i) Basic		9.60	15.12
ii) Diluted		9.60	15.12

Significant Accounting Policies & Notes forming part of the Financial Statements.

As per our Report of even date attached

For RAMBABU & Co.,
Chartered Accountants
Firm Reg. No. 002976 S

RAVI RAMBABU
Partner
Membership No.18541
Place : HYDERABAD
Date : 30th May, 2014.

For and on Behalf of the Board

N. HARI HARA PRASAD
Managing Director

T.H.SASTRY
Director

T.V.CHOWDARY
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

(Rupees)

PARTICULARS	31.03.2014	31.03.2013	Year ended 31.03.2014	Year ended 31.03.2013
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net profit before tax and extraordinary items			15,15,93,763	10,88,76,863
Adjustments for :-				
Depreciation	1,03,43,490	1,01,30,913		
Exceptional Items	----	10,45,20,449		
Interest Income	(10,48,245)	(36,81,414)		
Miscellaneous expenses written off	----	----		
			92,95,245	11,09,69,948
Operating profit before working capital changes			16,08,89,008	21,98,46,811
Working capital Adjustments for :-				
Trade and other Receivables	3,10,64,421	(3,38,09,481)		
Inventories	(1,67,90,846)	4,26,17,603		
Trade Payable	(1,83,34,371)	(10,28,69,207)		
			(40,60,796)	(9,40,61,085)
Cash generated from operations			15,68,28,212	12,57,85,726
Income Tax Paid	(4,82,31,946)	(1,66,30,132)		
Income Tax of earlier period	(44,65,140)	(1,57,20,252)		
(other than tax on Dividend)			(5,26,97,086)	(3,23,50,384)
Net cash inflow from operating activities			10,41,31,126	9,34,35,342
B. CASH FROM INVESTING ACTIVITIES:-				
F. E. Fluctuations - Capital items.	----	----		
Interest received	10,48,245	36,81,414		
Purchase/Sale of fixed assets	----	(94,87,731)		
Deposit of Margin Money	----	(53,00,000)		
Realisation of Margin Money	1,33,00,000	----		
			1,43,48,245	(1,11,06,317)
Net cash flow from investing activities			1,43,48,245	(1,11,06,317)

DIVYASHAKTI GRANITES LIMITED - HYDERABAD**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014**

(Rupees)

PARTICULARS	31.03.2014	31.03.2013	Year ended 31.03.2014	Year ended 31.03.2013
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Issue of Share capital	----	----		
Calls in arrears received	----	----		
Subsidy	----	----		
Interest paid	----	----		
Dividend paid	(1,58,97,176)	(1,50,38,492)		
Tax on Dividend paid	(26,25,937)	(26,25,937)		
Proceeds from long term borrowings	----	----		
			(1,85,23,113)	(1,76,64,429)
Net Cash flow from financing activities			(1,85,23,113)	(1,76,64,429)
Net increase/(decrease) in cash and cash equivalents (A)+(B)+(C)			10,04,02,204	6,42,51,858
Cash and cash equivalents as at 01.04.2013			15,71,56,062	9,29,04,204
Cash and cash equivalents as at 31.03.2014			25,75,58,266	15,71,56,062

Significant Accounting Policies & Notes forming part of the Financial Statements.

As per our Report of even date attached

For RAMBABU & Co.,
Chartered Accountants
Firm Reg. No. 002976 S**RAVI RAMBABU**
Partner
Membership No.18541Place : HYDERABAD
Date : 30th May, 2014.

For and on Behalf of the Board

N. HARI HARA PRASAD
Managing Director**T.H.SASTRY**
Director**T.V.CHOWDARY**
Director

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS

I. Corporate information:

Divyashakti Granite Limited was Incorporated on 4th June, 1991 in the state of Andhra Pradesh. The Company's objectives are manufacture of polished granite slabs, tiles & monuments. The Company undertook to set up a 100% Export Oriented Unit (EOU) at Narsapur Village, Medak District, Andhra Pradesh and it's Reg. Office at 7-1-58, Divyashakti Complex, Ameerpet, Hyderabad, Andhra Pradesh, Divyashakti Granites Limited, ever since its inception in 1991, has carved a niche for itself for producing world-class granite. Despite its brief presence, the company has grown into one of the Country's largest 100% Export Oriented Granite Processing Units in a wide spectrum of colors, textures and finish, to customers world-wide.

II. Significant Accounting Policies

1. Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the applicable accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

2. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

3. Tangible fixed assets and depreciation

Fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is provided using Straight Line Method at the rates estimated by the Management which coincides with the rates prescribed under Schedule XIV of the Companies Act, 1956.

4. Impairment

The carrying amounts of assets are reviewed at each balance sheet date to see if there is any indication of impairment based on internal/external factors. An impairment loss is

recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

5. Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

6. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

7. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

i. Revenue from sale of goods

Sales are recognized net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

ii. Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. 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. Interest income is included under the head "other income" in the statement of profit and loss.

iii. Dividends

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

8. Inventory Valuation

Inventories are valued at the lower of cost and the net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and Finished goods include appropriate proportion of overheads and, where applicable, excise duty.

9. Foreign currency translation

i. Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

iii. Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

10. Retirement and other employee benefits

- i. Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the provident fund.
- ii. Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- iii. Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.
- iv. Actuarial gains/losses are immediately taken to statement of profit and loss.
- v. The company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

11. *Income tax*

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

12. *Earnings Per Share*

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

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

13. *Provisions*

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

III. NOTES FORMING PART OF THE FINANCIAL STATEMENTS

PARTICULARS	No. of Shares	AS AT 31.03.2014 Rs.	No. of Shares	AS AT 31.03.2013 Rs.
NOTE: 1-01 SHARE CAPITAL				
AUTHORIZED CAPITAL				
Equity shares of Rs.10/-each with voting rights	1,40,00,000	14,00,00,000	1,40,00,000	14,00,00,000
Issued: Equity Shares of Rs.10/-each with voting rights	1,03,50,070	10,35,00,700	1,03,50,070	10,35,00,700
Subscribed and Fully paid up:				
Equity Shares of Rs.10/-each with voting rights				
Subscribed but not fully paid up:	98,500	4,92,500	98,500	4,92,500
Equity Shares of Rs.10/-each with voting rights Rs.5/-not paid up				
TOTAL	1,03,50,070	10,30,08,200	1,03,50,070	10,30,08,200
Calls in arrears		4,92,500		4,92,500

a) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting year :

	No. of Shares	AS AT 31.03.2014 Rs.	No. of Shares	AS AT 31.03.2013 Rs.
Equity Shares:				
At the beginning of the year	1,03,50,070	10,35,00,700	1,03,50,070	10,35,00,700
Add: Movement during the year	-	-	-	-
At the end of the year	1,03,50,070	10,35,00,700	1,03,50,070	10,35,00,700

b) Terms/rights attached to equity shares:

The Company has only one class of equity share having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the share holders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportionate to the paid up share capital held by the shareholders.

c) Details of Shareholder holding more than 5% equity shares in the company

Name of the shareholder	31st MARCH, 2014		31st MARCH, 2013	
	No. of Shares	% Holding	No. of Shares	% Holding
Sri N.V.Rattaiah	----	----	702790	6.79
Sri N.Hari Hara Prasad	2332244	22.53	1455559	14.06

DIVYASHAKTI GRANITES LIMITED - HYDERABAD

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

PARTICULARS	AS AT 31.03.2014		AS AT 31.03.2013	
	Rs.	Rs.	Rs.	Rs.
NOTE: 1.02 RESERVES & SURPLUES				
Capital Reserve				
a) State Subsidy		15,00,000		15,00,000
b) General Reserve				
Opening Balance	51,42,75,929		37,65,61,344	
Add: Transfer from surplus in statement of Profit and loss	8,08,27,041		13,77,14,585	
Closing Balance		59,51,02,970		51,42,75,929
c) Surplus/(deficit) in Statement of Profit & Loss				
Opening Balance	-		-	
Add: Profit for the Year	9,89,04,208		15,57,91,752	
Less: Dividend Proposed to be distributed to equity Share holders (Rs.1.50p per share)	1,54,51,230		1,54,51,230	
Tax on Dividend	26,25,937		26,25,937	
Transfer to General Reserve	8,08,27,041		13,77,14,585	
Closing Balance		-		-
TOTAL		59,66,02,970		51,57,75,929

PARTICULARS	AS AT	AS AT
	31.03.2014	31.03.2013
NOTE: 1.03 DEFERRED TAX LIABILITES (NET)		
Opening Balance	87,48,080	96,03,735
Add/(Less) for the year	(13,65,585)	(8,55,655)
TOTAL	73,82,495	87,48,080
NOTE: 1.04 TRADE PAYBLES		
Sundry Creditors for Materiel Supplies	1,96,23,570	1,96,02,845
Sundry Creditors for Services	70,66,922	52,60,360
Sundry Creditors for Consumables	1,33,04,820	1,37,81,078
TOTAL	3,99,95,312	3,86,44,283
NOTE: 1.05 OTHER CURRENT LIABILITIES		
(a) Vehicle loans		
i) Axis Bank Ltd.	----	2,99,814
(b) Outstanding Liabilities - Volume rebate on sales	4,22,09,925	5,84,97,048
(c) Advances received from Customers	30,06,083	73,75,299
(d) Unclaimed Dividend	3,64,550	8,10,496
(e) Other Outstanding Liabilities	59,79,465	46,98,268
TOTAL	5,15,60,023	7,16,80,925
NOTE: 1.06 SHORT TERM PROVISIONS		
(a) Provision for Employee benefits		
(i) Provision for Gratuity	13,90,307	14,00,751
(b) Provision for others		
(i) Provision for Tax (Net off prepaid taxes of (Net off prepaid taxes Rs.14,52,75,543/-)	36,05,820	22,47,766
(ii) Provision for Proposed Dividend	1,54,51,230	1,54,51,230
(iii) Tax on Dividend Proposed	26,25,937	26,25,937
TOTAL	2,30,73,294	2,17,25,684

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE: 1.07 FIXED ASSETS

S. No.	Name of the Asset	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As At 01.04.2013	Additions	Disposals	As At 31.03.2014	Balance As At 31.03.2013	Elimination on disposal of Asset	Depreciation/amortisation for the Year	Balance As At 31.03.2014	As At 31.03.2014	As At 31.03.2013
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
I	Tangible Assets										
1	Land and Site Development	56,51,671	----	----	56,51,671	----	----	----	----	56,51,671	56,51,671
2	Factory Buildings	4,11,73,513	----	----	4,11,73,513	2,02,62,509	----	13,75,195	2,16,37,704	1,95,35,809	2,09,11,004
3	Office Premises	28,42,278	----	----	28,42,278	8,70,731	----	46,329	9,17,060	19,25,218	19,71,547
4	Plant and Machinery	19,66,24,348	----	----	19,66,24,348	15,37,65,598	----	78,43,620	16,16,09,218	3,50,15,130	4,28,58,750
5	Furniture and Fixtures	2,73,875	----	----	2,73,875	2,60,181	----	*	2,60,181	13,694	13,694
6	Office Equipment	7,65,225	----	----	7,65,225	7,05,201	----	15,472	7,20,673	44,552	60,024
7	Electrical Equipment	25,86,402	----	----	25,86,402	24,57,082	----	*	24,57,082	1,29,320	1,29,320
8	Air Conditioners	2,06,240	----	----	2,06,240	1,95,928	----	*	1,95,928	10,312	10,312
9	Generator Set	76,90,400	----	----	76,90,400	91,324	----	3,65,294	4,56,618	72,33,782	75,99,076
10	Motor Car	71,27,515	----	----	71,27,515	27,20,532	----	6,77,114	33,97,646	37,29,869	44,06,983
11	Motor Cycle/Mopeds	2,71,172	----	----	2,71,172	2,50,796	----	6,817	2,57,613	13,559	20,376
12	Motor Vehicle - Van	4,96,000	----	----	4,96,000	4,57,551	----	13,649	4,71,200	24,800	38,449
13	Transformers	49,21,236	----	----	49,21,236	46,67,532	----	*	46,67,532	2,53,704	2,53,704
	Total	27,06,29,875	----	----	27,06,29,875	18,67,04,965	----	1,03,43,490	19,70,48,455	7,35,81,420	8,39,24,910
	Previous year	26,43,91,548	96,52,015	34,12,688	27,06,29,875	17,98,23,456	32,49,404	1,01,30,913	18,67,04,965	8,39,24,910	----
II	Intangible Assets										
	Total	Nil	----	----	Nil	----	----	Nil	Nil	Nil	Nil
	Previous year	-----	----	----	-----	----	----	----	----	----	----
*	Depreciation restricted to 95% of Asset Value										
**	Depreciation already restricted to 95% in respect of Asset Value of Rs.6,69,777/-										
***	Depreciation already restricted to 95% in respect of Asset Value of Rs.9,09,15,185/-										

DIVYASHAKTI GRANITES LIMITED - HYDERABAD

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

PARTICULARS	AS AT 31.03.2014 Rs.	AS AT 31.03.2013 Rs.
NOTE: 1.08 LONG-TERM LOANS & ADVANCES		
(a) Security Deposits (unsecured, considered good)	34,64,260	29,06,760
TOTAL	<u>34,64,260</u>	<u>29,06,760</u>
NOTE: 1.09 INVENTORIES (as valued & certified by Management)		
(a) Raw Materials	7,53,23,231	5,50,95,590
(b) Proportionate freight on closing stock of raw materials	2,32,50,283	2,08,46,980
(c) Work-in-Process	92,31,323	84,46,228
(d) Finished Goods	27,89,520	13,63,102
(e) Stores and Consumables	1,51,53,414	2,32,05,025
TOTAL	<u>12,57,47,771</u>	<u>10,89,56,925</u>
NOTE: 1.10 TRADE RECEIVABLES		
(Unsecured, considered good)		
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for repayment		
(i) Unsecured, considered good	6,48,13,479	8,09,21,594
(b) Other Trade receivables		
(i) Unsecured, considered good	<u>23,46,48,933</u>	<u>23,98,85,064</u>
TOTAL	<u>29,94,62,412</u>	<u>32,08,06,658</u>
NOTE: 1.11 CASH AND BANK BALANCES		
(a) Cash and Cash equivalents:		
- Cash on Hand	3,17,931	2,66,306
Balance with scheduled Banks:		
- in current accounts	6,45,339	40,52,981
- Term Deposit	65,00,000	1,00,00,000
- E.E.F.C. Account	<u>25,00,94,995</u>	<u>14,28,36,775</u>
Sub Total (a)	<u>25,75,58,265</u>	<u>15,71,56,062</u>
(b) Other Bank Balances :		
- Unclaimed Dividend accounts	3,64,550	8,10,495
- Margin Money Deposit for L.C.	5,42,00,000	6,75,00,000
- Margin Money Deposit for B.G	<u>4,75,000</u>	<u>4,75,000</u>
Sub Total (b)	<u>5,50,39,550</u>	<u>6,87,85,495</u>
TOTAL (a+b)	<u>31,25,97,815</u>	<u>22,59,41,557</u>

Out the above, cash and cash equivalents which meet the definition of cash flow statement is Rs.25,75,58,265/- (Previous year Rs.15,71,56,062/-)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

PARTICULARS	AS AT 31.03.2014 Rs.	AS AT 31.03.2013 Rs.
NOTE: 1.12 SHORT-TERM LOANS & ADVANCES		
(Advance Recoverable in cash or in kind or for value to be received) Advances (unsecured, considered good)		
(a) Material suppliers	48,85,770	1,49,24,841
(b) Staff	3,15,700	2,96,805
(c) Cenvat & Excise duty	87,516	1,11,116
(d) Prepaid Expenses	2,03,861	1,94,779
TOTAL	<u>54,92,847</u>	<u>1,55,27,541</u>
NOTE: 1.13 OTHER CURRENT ASSETS		
(a) Accrued Interest on Margin Money	12,75,769	15,18,750
TOTAL	<u>12,75,769</u>	<u>15,18,750</u>
PARTICULARS	For the Year ended 31.03.2014 Rs.	For the Year ended 31.03.2013 Rs.
NOTE: 2-01 REVENUE FROM OPERATIONS		
Sale of Products (Exports)	51,97,85,901	43,52,71,367
Sale of Products (DTA sales)	1,53,34,062	1,78,49,172
Sale of Traded goods (Exports)	7,46,62,806	5,80,47,870
	<u>60,97,82,769</u>	<u>51,11,68,409</u>
Less: Excise Duty	19,75,546	20,97,147
TOTAL	<u>60,78,07,223</u>	<u>50,90,71,262</u>
NOTE: 2-02 OTHER INCOME		
(a) Other Operational Income		
Interest on Margin Money - Received	39,92,294	51,69,731
- Accrued and due	12,75,769	15,18,750
Cenvat (on Service tax) refund	27,40,799	12,89,306
Insurance claim (damaged container)	11,00,583	----
Vat refunds	14,60,388	70,60,714
TOTAL (a)	<u>1,05,69,833</u>	<u>1,50,38,501</u>
(b) Miscellaneous Income		
Miscellaneous Income	1,20,574	----
Interest on IT Refunds, etc.,	----	18,18,778
Interest on Term Deposits - Received	9,27,671	18,62,636
TOTAL (b)	<u>10,48,245</u>	<u>36,81,414</u>
(c) Net gains/(loss) on foreign currency transactions&translation		
Exchange Variation- on export realisations	73,34,364	1,01,89,066
Exchange Variation- on import	(31,66,713)	33,67,721
Exchange Variation- on currency	1,31,24,134	44,33,094
Exchange Variation- on Trade receivables	2,99,75,348	1,13,85,710
Exchange Variation- on current liabilities	(66,36,331)	(37,31,180)
TOTAL (c)	<u>4,06,30,802</u>	<u>2,56,44,411</u>
TOTAL (a+b+c)	<u>5,22,48,880</u>	<u>4,43,64,326</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

PARTICULARS	For the Year ended 31.03.2014 Rs.	For the Year ended 31.03.2013 Rs.
NOTE: 2-03 COST OF MATERIAL CONSUMED		
(a) CONSUMPTION OF RAW MATERIAL		
Opening Stock of Raw Blocks	5,50,95,590	9,79,92,270
Add: Purchases during the year	<u>22,94,08,759</u>	<u>14,03,15,559</u>
	28,45,04,349	23,83,07,829
Less: Closing Stock	<u>7,53,23,231</u>	<u>5,50,95,590</u>
Sub Total (a)	<u>20,91,81,118</u>	<u>18,32,12,239</u>
(b) CONSUMPTION OF STORES, SPARES & CONSUMABLES		
Opening Stock	2,32,05,026	1,65,10,550
Add: Purchases during the year	<u>6,27,11,524</u>	<u>5,09,22,565</u>
	8,59,16,550	6,74,33,115
Less: Closing Stock	<u>1,51,53,414</u>	<u>2,32,05,026</u>
Stores, Spares & Consumables consumed	<u>7,07,63,136</u>	<u>4,42,28,089</u>
TOTAL (a + b)	<u>27,99,44,254</u>	<u>22,74,40,328</u>
NOTE: 2-04 TRADED GOODS		
Opening Stock	----	----
Add: Purchases during the year	<u>5,80,13,399</u>	<u>4,71,30,674</u>
	5,80,13,399	4,71,30,674
Less: Closing Stock	----	----
TOTAL	<u>5,80,13,399</u>	<u>4,71,30,674</u>
NOTE: 2-05 CHANGE IN INVENTORIES		
Closing Stock		
Finished Goods	27,89,520	13,63,102
Work-in-process	<u>92,31,323</u>	<u>84,46,228</u>
Sub Total	<u>1,20,20,843</u>	<u>98,09,330</u>
Opening Stock		
Finished Goods	13,63,102	71,41,336
Work-in-process	<u>84,46,228</u>	<u>15,70,852</u>
Sub Total	<u>98,09,330</u>	<u>87,12,188</u>
Net change - Accretion/(Decretion)	<u>22,11,513</u>	<u>10,97,142</u>
NOTE: 2-06 MANUFACTURING EXPENSES		
Power & Fuel	2,88,05,519	277,22,972
Transport and Freight - Inward (On raw blocks consumed)	<u>6,46,05,488</u>	<u>6,90,59,545</u>
Maintenance:		
Factory Buildings	47,68,839	22,94,870
Plant & Machinery	43,05,105	38,63,739
Generators	<u>22,017</u>	<u>2,82,506</u>
Sub Total (a)	<u>10,25,06,968</u>	<u>10,32,23,632</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

PARTICULARS	For the Year ended 31.03.2014 Rs.	For the Year ended 31.03.2013 Rs.
Packing Material		
Opening Balance	----	----
Add: Purchases during the year	87,53,625	74,24,144
	<u>87,53,625</u>	<u>74,24,144</u>
Less: Closing Stock	----	----
Sub Total (b)	87,53,625	74,24,144
TOTAL(a+b)	<u>11,12,60,593</u>	<u>11,06,47,776</u>
NOTE: 2-07 EMPLOYEES' BENEFIT EXPENSES		
(a) Salaries & Wages	1,27,65,902	1,18,84,721
(b) Contribution to Provident Fund	1,77,696	1,51,781
(c) ESI Contribution	1,76,400	1,80,356
(d) Workmen and Staff Welfare	12,46,425	13,41,526
(e) Directors Remuneration	35,86,940	59,51,142
TOTAL	<u>1,79,53,363</u>	<u>1,95,09,526</u>
NOTE: 2-08 FINANCE COST		
(a) Interest on vehicle Loans	9,698	1,03,228
(b) Bank Charges	8,89,090	9,31,827
TOTAL	<u>8,98,788</u>	<u>10,35,055</u>
NOTE: 2-09 OTHER EXPENSES		
Rates and Taxes	1,19,698	1,59,441
Service Tax	20,69,478	15,03,970
Travelling Expenses :		
Inland	9,60,685	14,50,556
Foreign	11,82,408	14,18,389
Insurance	5,81,190	5,61,380
Printing and Stationery	4,93,295	5,76,431
Postage, Telephones, Fax & Telex	6,47,211	7,28,837
Advertisement Charges	1,94,169	6,13,599
Professional charges	25,000	25,000
Business Promotion Expenses	3,94,545	6,45,655
Transport & Freight - Outward	2,13,62,284	1,77,15,439
Maintenance:		
Office	9,75,641	7,15,677
Vehicles	4,39,372	6,66,337
Audit Fees		
Statutory Audit	2,25,000	2,25,000
Tax Audit	75,000	75,000
Other Misc. expenses	25,14,990	26,80,884
TOTAL	<u>3,22,59,966</u>	<u>2,97,61,595</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	Amount (Rs.)	Amount (Rs.)
Note: 2-10 Earnings Per Share		
Basic		
Total operations		
Net profit / (loss) for the period attributable to the equity shareholders	9,89,04,208	15,57,91,752
Weighted average number of equity shares	1,03,00,820	1,03,00,820
Par value per share	10	10
Earnings per share - Basic	9.60	15.12
Diluted		
The diluted earnings per share has been computed by dividing the Net Profit After Tax available for Equity Shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding Warrants, Stock Options and Convertible bonds for the respective periods. Since, the effect of the conversion of Preference shares was anti-dilutive, it has been ignored.		
Total operations		
Net profit / (loss) for the period attributable to the equity shareholders	9,89,04,208	15,57,91,752
Weighted average number of equity shares for Basic EPS	1,03,00,820	1,03,00,820
Weighted average number of equity shares - for diluted EPS	1,03,00,820	1,03,00,820
Par value per share	10	10
Earnings per share - Diluted	9.60	15.12

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE	Particulars		
2.11	EMPLOYEE BENEFIT PLANS		
A	Defined contribution plans The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.1.78 lakhs (Year ended 31 March, 2013 Rs. 1.52 lakhs) for Provident Fund contributions and Rs.1.76 lakhs (Year ended 31 March, 2013 Rs. 1.80 lakhs) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.		
B	The Company offers the Gratuity scheme to its employees. The following table sets out the unfunded status of the Gratuity scheme and the amount recognised in the financial statements:		
	Particulars	31.03.2014 Rs.	31.03.2013 Rs.
	Components of employer expense		
	Current service cost	74,628	76,085
	Interest cost	1,12,060	1,85,356
	Expected return on plan assets	-	-
	Curtailment cost / (credit)	-	-
	Settlement cost / (credit)	-	-
	Past service cost	-	-
	Actuarial losses/(gains)	(1,97,132)	(11,77,639)
	Total expense recognised in the Statement of Profit and Loss	(10,444)	(9,16,198)
	Actual contribution and benefit payments for year		
	Actual benefit payments	-	-
	Actual contributions	-	-
	Net asset / (liability) recognised in the Balance Sheet		
	Opening Net Liability	14,00,751	23,16,949
	Fair value of plan assets	-	-
	Expenses as above	(10,444)	(9,16,198)
	Settlements made	-	-
	Net asset / (liability) recognised in the Balance Sheet	13,90,307	14,00,751
	Change in defined benefit obligations (DBO) during the year		
	Present value of DBO at beginning of the year	14,00,751	23,16,949
	Current service cost	74,628	76,085
	Interest cost	1,12,060	1,85,356
	Curtailment cost / (credit)	-	-
	Settlement cost / (credit)	-	-
	Plan amendments	-	-
	Acquisitions	-	-
	Actuarial (gains) / losses	(1,97,132)	(11,77,639)
	Past service cost	-	-
	Benefits paid	-	-
		13,90,307	14,00,751

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note	Particulars	31.03.2014 Rs.	31.03.2013 Rs.
2.11	Change in fair value of assets during the year *		
	Plan assets at beginning of the year	-	-
	Expected return on plan assets	-	-
	Actual company contributions	-	-
	Actuarial gain / (loss)	-	-
	Benefits paid	-	-
	Actuarial assumptions		
	Discount rate	9.00%	8.00%
	Expected return on plan assets *		
	Salary escalation	5.00%	5.00%
	Attrition	12.00%	12.00%
	Mortality tables	IALM(2006-08)	LIC (1994-96)
	Expected average remaining service	5.72%	5.88%
	Estimate of amount of contribution in the immediate next year	-	-
	Asset Information		
	*As the scheme is unfunded, other disclosures under Accounting Standard 15 are stated as Nil		
	Experience adjustments		
	Present value at the end period	13,90,307	14,00,751
	Funded status	(13,90,307)	(14,00,751)
	Experience gain / (loss) adjustments on plan liabilities	-	-
	Experience gain / (loss) adjustments on plan assets	-	-

3.01 Contingent Liabilities.

Rs. in lakhs.

Sl. No.	Particulars	2013-14	2012-13
i	Foreign Letters of Credit opened in favour of Suppliers for which goods are yet to be received.	69.01	528.88
ii	Guarantees given by Bank (BG)	4.75	4.75

3.02 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.

3.03 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.

3.04 The Company has not received any Memorandum as required to be filed by the suppliers with the notified authority under the Micro, Small & Medium Enterprises Development

DIVYASHAKTI GRANITES LIMITED - HYDERABAD

Act, 2006) to claim their status as micro, small & medium enterprises. Consequently the amount paid/payable to such parties during the year is NIL.

3.05 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.

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

3.07 Related party disclosure :

Disclosure as required by Accounting Standard 18 (AS -18) "Related Party Disclosures" are as follows:

i) Key Management Personal (KMP) : N.HARI HARA PRASAD
Managing Director

ii) Associated Companies and transactions:

a)	Name of the party	:	M/s Universal Extrusions Pvt.Ltd.,	
	Relationship	:	A company in which Managing Director and Director Are Directors	
	Nature of Transaction	:	Packing wood material (purchase)	
	Transaction Value	:	2013-14	2012-13
		:	Rs. 46,81,811/-	Rs.45,50,205/-
	Balance outstanding as on Balance Sheet date	:	Rs.10,60,767/- (Creditor)	Rs.17,23,956/- (Creditor)
	Amount Written off/Back	:	NIL	NIL
b)	Name of the party	:	M/s Universal Marketing Agencies Pvt. Ltd.,	
	Relationship	:	A company in which Managing Director and Director are directors	
	Nature of Transaction	:	Polished Granite Slabs (third party exports)	
	Transaction Value	:	Rs. 12,67,493/-	Rs. 26,50,000/-
	Balance outstanding as on Balance Sheet date	:	Rs. NIL	Rs. 29,68,745/- (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 Director are Partners	
	Nature of Transaction	:	Sale of granite slabs	
	Transaction Value	:	Rs. 21,63,577/-	Rs.1,00,42,131/-
	Balance outstanding as on Balance Sheet date	:	Rs. 3,75 148/-	Rs. 10,95,408/-
	Amount Written off/Back	:	NIL	NIL

DIVYASHAKTI GRANITES LIMITED - HYDERABAD

d) Name of the party	:	M/s. Divyashakti Housing Constructions Limited,	
Relationship	:	A company in which Managing Director and Director are Directors	
Nature of Transaction	:	NIL	NIL
Transaction Value	:	NIL	NIL
Balance outstanding as on Balance Sheet date	:	NIL	NIL
Amount Written off/Back	:	NIL	NIL

3.08 Expenditure in Foreign Currency:	2013-14	2012-13
	Rs.	Rs.
(i) Foreign Travelling & Commissions	11,82,408	14,18,389
(ii) CIF Values of Imports:		
Raw Material	10,31,13,349	7,83,28,589
Capital Goods	NIL	NIL
Consumables & Spares	5,89,49,515	4,90,80,077
(iii) Earnings in Foreign Currency: (FOB Values of Exports)	59,44,48,707	49,33,19,237

3.09 Consumption of Materials:	2013-14	2012-13
	Value	Value
	Rs.	Rs.
	%	%
a) Raw Material		
i) Imports	9,07,60,151	43.39
ii) Indigenous	11,84,20,967	56.61
b) Consumables & Spares		
i) Import	6,70,79,201	94.79
ii) Indigenous	36,83,935	5.21

3.10 (a) Particulars of production, sales and closing stocks.

	2013-14	2012-13
	(Sq.Mts.)	(Sq.Mts.)
i) Production	137837	144148
ii) Sales - From Factory	136980	144552
- Direct Dispatches (Bought out)	23077	17777
iii) Closing Stocks	4779	3922

DIVYASHAKTI GRANITES LIMITED - HYDERABAD

(b) CONSUMPTION	2013-14		2012-13	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)
i) Granite Raw Blocks	5321 Cu.Mt.	20,91,81,118	4953 Cu.Mt.	18,32,12,240
ii) Finished Slabs & Tiles	23077 Sq.Mt	5,80,13,399	17777 Sq.mt.	4,71,30,674
iii) Others	----	7,07,63,136	----	4,42,28,090

3.11 Figures in the Balance Sheet and Statement of Profit and Loss have been rounded off to the nearest rupee.

3.12 Previous year figures have been regrouped and reclassified wherever necessary.

3.13 Schedules 1.01 to 1.13, 2.01 to 2.11 and 3.01 to 3.13 form part of Balance Sheet and Statement of Profit and Loss and have been authenticated.

For and on Behalf of the Board

N.HARI HARA PRASAD
Managing Director

T.H.SASTRY
Director

PLACE : HYDERABAD
DATE : 30th May, 2014.

T.V.CHOWDARY
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 Date 3 1 0 3 2 0 1 4

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

Public Issue

Nil

Rights issue

Nil

Business Issue

Nil

Private Issue

Nil

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

Total Liabilities

8 2 1 6 2 2

Total Assets

8 2 1 6 2 2

SOURCES OF FUNDS

Paid-up Capital

1 0 3 0 0 8

Reserves & Surplus

5 9 6 6 0 3

Non Current Liabilities

7 3 8 2

Current Liabilities / Others

1 1 4 6 2 9

APPLICATION OF FUNDS

Net Fixed Assets

7 3 5 8 2

Investments / Loans

3 4 6 4

Net Current Assets

7 4 4 5 7 7

Miscellaneous Expenditure

Nil

Accumulated Losses

Nil

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

Turnover

6 6 0 0 5 6

Total Expenditure

5 0 8 5 6 2

+/- Profit/Loss Before Exceptional Items

+ 1 5 1 5 9 4

+/- Profit/Loss Before Tax

+ 1 5 1 5 9 4

+/- Profit/Loss after Tax

+ 9 8 9 0 4

Earning Per Share

Rs. 9 . 6 0

Dividend Rate %

1 5 %

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

Item Code No. (ITC CODE) : 680223.01

Product Description : GRANITE POLISHED SLABS, TILES AND MONUMENTS

On behalf of the Board

Place: Hyderabad,
Date : 30th May, 2014.

N. HARI HARA PRASAD
Managing Director

DIVYASHAKTI GRANITES LIMITED

(CIN: L99999TG1991PLC012764)

Regd. Office: 7-1-58, Divyashakti Complex,
Ameerpet, Hyderabad - 500 016.

Form No MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rule, 2014

CIN	L99999TG1991PLC012764
Name of the Company	Divyashakti Granites Limited
Registered office	7-1-58 Divyashakthi Apartments, Ameerpet, Hyderabad-500016
Name of the Member(s)	
Registered Address	
Email Id	
Folio No / Client ID	DP ID:

I / We, being the member(s) of shares of the above named company, hereby appoint

1	Name		Signature	
	Address			
	E- Mail ID		Signature	
	of failing him			
2	Name		Signature	
	Address			
	E- Mail ID		Signature	
	of failing him			
3	Name		Signature	
	Address			
	E- Mail ID		Signature	
	of failing him			

DIVYASHAKTI GRANITES LIMITED - HYDERABAD

as my / our proxy to attend and vote (on a poll) for me/ us and on my / our behalf at the 23rd Annual General meeting of the Company, to be held on 30th day of September, 2014 at 11.00 A.M at the Institution of Engineers, Khairatabad, Hyderabad-500004 and at any adjournment thereof in respect of such resolution as are indicated below:

Resolutions	For	Against
1. Consider and adopt Audited Financial Statement, Reports of the Board of Directors and Auditors		
2. Declaration of Dividend on Equity Shares		
3. Re-appointment of Shri N.S.R Chandra Sekhar Rao who retires by rotation		
4. Appointment of Auditors and fixing their remuneration		
5. Appointment of Shri Tummala Ramesh Chandra Bose as an Independent Director		
6. Appointment of Shri Sunkara Srinivas as an Independent Director		
7. Appointment of Smt. Jaishree Nallapati as Director		
8. Appointment of Sri. M.V. Subba Rao as an Independent Director		
9. Appointment of Sri T.H. Sastry as an Independent Director		
10. Appointment of Sri. T.V. Chowdary as an Independent Director		
11. Approval for authorising Board of Directors for borrowing powers as per Section 180(1) (c) of Companies Act, 2013		
12. Approval for authorizing Board of Directors for mortgage and/or create charge on the assets of the Company as per Section 180(1) (a) of the Companies Act, 2013		
13. Approval for Authorisation to enter into contracts with related parties		

Affix
Revenue
Stamp

Signed this _____ day of _____ 2014

Signature of Shareholder _____

Signature of Proxy holder(s) _____

Note: This of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.

DIVYASHAKTI GRANITES LIMITED

(CIN: L99999TG1991PLC012764)

Regd. Office: 7-1-58, Divyashakti Complex,
Ameerpet, Hyderabad - 500 016.

ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING

(to be handed it over at venue of the meeting)

I Certify that I am a registered shareholder/ proxy/ representative for the registered shareholder(s) of Divyashakti Granites Limited.

DP ID*		Folio No.	
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Client ID*		No. of Shares	
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* Applicable for investors holding shares in electronic form

I hereby record my presence at the 23rd Annual General Meeting of the company held on Tuesday, 30th day of September, 2014 at 11.00 A. M at the Institution of Engineers, Khairatabad, Hyderabad-500004

Name and Address of Member

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Signature of Shareholder / proxy/Representative