



[Divyashakti]



# **DIVYASHAKTI GRANITES LIMITED**

**26th Annual Report  
2016-2017**

## BOARD OF DIRECTORS

### Managing Director

Sri N. Hari Hara Prasad

### Directors

Sri M.V. Subba Rao (upto 04.10.2016)

Sri T.H. Sastry

Sri T.V. Chowdary

Sri N.S.R. Chandra Sekhar Rao

Sri T. Ramesh Chandra Bose

Sri S. Srinivas

Smt Jaishree Nallapati (upto 10.02.2017)

Smt Anuradha Anne (w. e. f. 12.05.2017)

### Auditors:

M/s. Rambabu & Co.

Chartered Accountants

31, Pancom Chambers

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

Somajiguda, Hyderabad-500482.

### Chief Financial Officer

Smt Jaishree Nallapati (upto 10.02.2017)

Smt Anuradha Anne (from 12.05.2017)

### Company Secretary

Ms. Deepa Dutta (up to 31.12.2016)

Ms. Priyanka Baldewa (w.e.f 01.01.2017)

### BANKERS:

State Bank of India

HDFC Bank

Andhra Bank

### Registered Office

Flat No.301 to 304, Divyashakthi Complex,

7-1-58, Ameerpet, Hyderabad - 500016,

Telangana

### Factory

Survey No. 432/1& 447,

Narsapur village,

Medak District.

### Website

[www. divyashakti.com](http://www.divyashakti.com)

**NOTICE**

Regd Office: 7-1-58 Divyashakthi Apartments, Ameerpet,  
Hyderabad - 500016, Telangana  
Telephone: 91-40-23730240, Fax No. +91-40-23730013,  
Website: www.divyashakti.com, Email: info@divyashakti.com,  
CIN No. L99999TG1991PLC012764

NOTICE IS HEREBY GIVEN THAT THE 26TH ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF DIVYASHAKTI GRANITES LIMITED (CIN : L99999TG1991PLC012764) WILL BE HELD ON MONDAY THE 25TH SEPTEMBER, 2017 AT 11.00 A.M AT THE INSTITUTION OF ENGINEERS, KHAIRATABAD, HYDERABAD - 500 004 TO TRANSACT THE FOLLOWING BUSINESS:

**ORDINARY BUSINESS:**

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017 together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the financial year ended 31st March, 2017.
3. To appoint a Director in place of Shri N. S. R. Chandra Sekhara Rao (DIN No.01853982), who retires by rotation and being eligible, seeks reappointment.
4. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to Sections 139 and 142 and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, pursuant to the proposals of the Audit Committee of the Board and recommendation of the

Board, M/s. Suryanarayana & Suresh., Chartered Accountants, Hyderabad (Firm Registration No: 006631S) be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Meeting for a period of five consecutive years, subject to ratification by the members at every Annual General Meeting, on a remuneration that may be determined by the Audit Committee in consultation with the auditors, and that such remuneration may be paid as may be agreed upon between the auditors and 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, 2018."

**SPECIAL BUSINESS:**

5. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to provisions of sections 149, 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) and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,

**Smt. ANURADHA ANNE** (DIN: 02802437) who was appointed as an Additional Director with effect from 12.05.2017 pursuant to provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and whose term of office expires at this Annual General Meeting('AGM') and in respect of whom the Company has received a notice in writing along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to provisions of Section 20 of the Companies Act, 2013 and other applicable provisions, if any, of the said Act and relevant rules prescribed thereunder, whereby a document may be served on any member by the Company by sending it to him by post or by registered post or by speed post or by courier or by delivery to his office address or by such electronic or other mode as may be prescribed, the consent of the Company be and is hereby accorded to charge from the member in advance equivalent to the estimated actual expenses of delivery of the documents pursuant to any request made by the shareholder for delivery of such document to him through a particular mode of services mentioned above provided such request along with the requisite fee has been duly received by the Company at least one week advance of the dispatch of the document by the Company and that no such request shall

be entertained by the Company to post the dispatch of such document by the Company to the shareholder."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** in supersession of the special resolution approved by the members of the Company in the Twenty Third Annual General Meeting held on September 30, 2014 and pursuant to Section 180(1)(c) and all other applicable provisions of the Companies Act, 2013 (the 'Act'), and the Companies (Meetings of Board and its Powers) Rules, 2014 and other Rules, Regulations, Notifications and Circulars issued including any statutory modification or re-enactment thereof for the time being in force, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as 'the Board') which term shall be deemed to include any Committee which the Board may have constituted or may hereinafter constitute to exercise its powers including the powers conferred by this Resolution) for borrowing from time to time, any sum or sums of money for the purposes of the Company 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. 40 Crores (Rupees Forty Crores only) over and above the aggregate of the paid up share capital and free reserves of the Company.

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the above, Board of Directors of the Company and/ or any person authorized by the Board from time to time be and is hereby empowered and authorised to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

8. To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

**"RESOLVED THAT** in supersession of the special resolution approved by the members of the Company in the Twenty Third Annual General Meeting held on September 30, 2014 in pursuance to the limits stated in the Item No. 6 above and 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), consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company, to create charges, mortgages and / or hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, in such form and manner and with such ranking, whether exclusive, pari-passu, subservient or otherwise and at such time which shall not be in excess of Rs. 40 Crores (Rupees Forty Crores only) over and above the aggregate of the paid up share capital and free reserves of the Company and on such terms as the Board may determine to the extent of Borrowing limits, on all or any of the movable and/or immovable properties of the Company, both present and future and/or on 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."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary and with power to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further approval of the Members of the Company."

9. To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

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**DIVYASHAKTI GRANITES LIMITED - HYDERABAD**

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"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 modification or amendments or clarifications thereon, if any, and pursuant to the Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, and pursuant to the Policy of the Company on Related Party Transactions, consent

of the members be and is hereby accorded for entering into transactions, including Material Related Party Transactions, in the ordinary course of business at arms' length price, whether by means of contracts/ arrangements or otherwise, from time to time, with the related parties, provided such transactions, in the opinion of the Board of Directors of the Company with those related parties are in the ordinary course of business and at arm's length price with effect from 01 October 2017 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 Crores)
01	Availing or rendering of any services	Sri N.Hari Hara Prasad Smt. Anuradha Anne Directorship/Partner	Divyashakti Housing Constructions Limited N.V.Rattaiah & Co.	10.00 20.00
02	Sale, Purchase or Supply of any Goods or Materials	Sri N.Hari Hara Prasad Smt. Anuradha Anne Directorship	Universal Extrusions Pvt. Ltd. Universal Marketing Agencies Pvt. Ltd	6.00 6.00
03	Availing or rendering of any services	Sri N.Hari Hara Prasad Sri N.Hari Hara Prasad and his relatives are Partners in Firm	Just Holdings, USA	60.00

"RESOLVED FURTHER THAT the Board be and is hereby authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above resolution and to do all such acts, deeds, things as may be necessary in its absolute discretion deem necessary, proper, desirable and to finalize any documents and writings related thereto."

For and on behalf of the Board

Place: Hyderabad  
Date: 27th May, 2017

**N. HARI HARA PRASAD**  
Managing Director

## **NOTES**

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in the meeting 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 its Registered Office of the Company not later than forty eight hours before the commencement of the Meeting.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in 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.  
The Register of Members and Share Transfer Books of the Company will remain closed from 19-09-2017 to 25-09-2017 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
3. Dividend of Rs.1.50 per Equity Share of Rs.10/(15%) each for the year as recommended by the Board of Directors and, 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 19.09.2017.
4. 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. Further all the members are requested to dematerialize their shares.
5. In compliance with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, the Company is pleased to provide members facility to exercise their right to vote at the 26th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).
6. The Annual Report 2016-17, the Notice of the 26th AGM and instructions for e-voting, along with the attendance slip and proxy form, are being sent by electronic mode to members whose email addresses are registered with the Company/depository participant(s), unless a member has requested for a physical copy of the documents. For members who have not registered their email addresses, physical copies are being sent by the permitted mode. The same is also available on the Company's website.
7. The relevant Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 is annexed hereto.
8. Additional information, pursuant to Regulation 36 of the SEBI (LODR) Regulations, 2015, in respect of the Directors seeking appointment/reappointment at the AGM, forms part of the Notice.
9. 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 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](mailto:evoting@nsdl.co.in).

**General Instructions:**

- a. The e-voting period commences on September 21, 2017 (9.00 a.m.) and ends on September 24, 2017 (5.00 p.m.) During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 18, 2017, 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 September 18, 2017 and not casting their vote electronically, may only cast their vote at the Annual General Meeting. Mr. Puttaparthi Jagannatham, Advocate, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- c. 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.
- d. The voting rights of shareholders shall be in proportion to their shares of the paid up equity



## **DIVYASHAKTI GRANITES LIMITED - HYDERABAD**

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share capital of the Company as on September 18, 2017. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.divyashakti.com](http://www.divyashakti.com) and on the website of NSDL within two days of the passing of the resolutions at 26th Annual General Meeting of the Company on Monday, September, 25, 2017 and communicated to the BSE Ltd.

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

#### **ITEM NO .5**

Pursuant to the provisions of Sections 149(1) and 161(1) of the Companies Act, 2013 Smt. Anuradha Anne was appointed as an Additional Director of the Company with effect from 12th May, 2017 by the Board of Directors and in terms of the provisions of Section 161 (1) of the Act, she holds office up to the date of the ensuing Annual General Meeting but is eligible for the appointment as a Director.

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 her candidature for the office of Director.

Smt. Anuradha Anne 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 SEBI (LODR) Regulations, 2015, the Company should have at least one woman Director. She holds 4,65,992 equity shares in the Company.

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

Brief Resume of Smt. Anuradha Anne 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 SEBI (LODR) Regulations, 2015, is forming part of the Annual Report

This Explanatory Statement may also be regarded as a disclosure under Regulation 27 of the SEBI (LODR) Regulations, 2015.

Smt. Anuradha Anne 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. Anuradha Anne.

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.5 of the Notice.

#### **ITEM NO. 6 :**

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by post or by registered post or by speed post or by courier or by delivery at his office or residence address or by such electronic or other mode as may be prescribed. Further, proviso to sub-section (2) of Section 20 states that a member may request for delivery of any document through a particular mode, for which he shall pay such fees in

advance as may be determined by the company in its Annual General Meeting, Accordingly, the Board of Directors in their meeting held on 27th May, 2017 has proposed General Meeting. Accordingly, the Board of Directors in their meeting held on 27th May, 2017 has proposed that a sum equivalent to the estimated actual expenses of delivery of the documents through a particular mode, if any request has been made by any member for delivery of such documents to him through such mode of service, be taken to cover the cost of such delivery.

None of the Directors or Key Managerial Personnel including their relatives is concerned or interested, financial or otherwise, in the said resolution.

**ITEM NO. 7 & 8:**

In terms of the provisions of Section 180(1) (c) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the consent of the Company, borrow moneys, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of aggregate of the paid up capital and its free reserves (reserves not set apart for any specific purpose).

The members of the Company at its General Meeting held on 30th September, 2014, had accorded their consent to the Board of Directors for borrowing up to Rs.20 Crores under Section 180 (1) (c) of the Companies Act, 2013. Subject to approval of members, the Company proposes to increase the limit of borrowing powers, to enable the Company to mobilize funds for its capital and working capital requirements for setting up Quartz Slabs Plant and other requirements.

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.40 Crores (Rupees Forty 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.40 Crores (Rupees Forty Crores only).

In terms of the provisions of Section 180 (1) (a) of the Companies Act 2013, the mortgage or charge on all or any part of the movable and/or immovable properties of the Company, maybe deemed as the disposal of the whole, or substantially the whole, of the undertaking of the Company and hence, requires approval from the members of the Company by way of a Special Resolution. Therefore, it is proposed to pass this enabling resolution to authorize the Company to create a charge or mortgage on the assets or properties of the Company for an amount not exceeding Rs. 40 Crores (Rupees Forty Crores only) thereof, in excess of the aggregate of the paid-up capital of the Company and its free reserves. In furtherance of the same, the Board recommends passing of the Special Resolution set out in the Notice.

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. 6 and 7 except to the extent of shares held by them in the Company.

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The Board recommends the Special Resolutions set forth in Item Nos. 6 & 7 for approval of the shareholders.

### **ITEM NO. 9**

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 Ordinary resolution. The Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 has also prescribed seeking shareholders' approval for material related party transactions.

Pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following contracts / arrangements / transactions are material in nature and require the approval of the unrelated shareholders of the Company by an Ordinary 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:

- |  |   |   |
|--|---|---|
| (1) Name of the Related Party  | : | Divyashakti Housing Constructions Limited<br>N.V.Rattaiah & CO.<br>Universal Extrusions Private Limited<br>Universal Marketing Agencies<br>Private Limited<br>Just Holdings |
| (2) Names of the Director or Key<br>Managerial Personnel who is<br>related, if any | : | Sri N. Hari Hara Prasad<br>Smt. Anuradha Anne   |

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(3) Nature of Relationship : DIRECTOR/Partner

<b>Name of the Related Party and their</b>	<b>Name of the Director/KMP who is related nature of Relationship</b>
Divyashakti Housing Constructions Limited N.V.Rattaiah & CO. Universal Extrusions Private Limited Universal Marketing Agencies Pvt. Limited	SRI N.HARI HARA PRASAD SMT. ANURADHA ANNE
Just Holdings, USA	SRI N.HARI HARA PRASAD

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

The details are as mentioned below:

<b>Name of the related party</b>	<b>Nature of Transaction</b>	<b>Particulars</b>	<b>Maximum Amount per annum (Rs. In Crores)</b>
Companies			
Divyashakti Housing Constructions Limited N.V.Rattaiah & CO.	Availing or rendering of any services	Constructions activities Constructions activities	10.00 20.00
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	6.00 6.00
<b>Foreign Bodies</b>			
Just Holdings, USA.	Sale, Purchase, Supply, availing or rendering of any services	Supply of Polished Granites Slabs & Engineering stone slabs	60.00

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 ordinary resolution.

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

The Board recommends the Resolutions as set out in the Notice for approval of the Members.

For and on behalf of the Board

Place: Hyderabad  
Date: 27th May, 2017

**N. HARI HARA PRASAD**  
Managing Director

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**Additional information on director recommended for appointment/reappointment as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

### **1. Shri N. S. R. Chandra Sekhara Rao (DIN: 01853982)**

#### **Brief Resume:**

1	Name of the Director	Shri N. S. R. Chandra Sekhara Rao
2	Father Name	Late Sri N.V.Chowdary
3	Date of Birth	25.12.1942
4	Qualifications	BE - Electrical
5	Date of Appointment	28.01.1993
6	Experience	Over 26 Years of versatile experience in Manufacturing of Electrical Installations and Electrical Contracts.

Nature of Expertise in specific functional areas: Manufacturing of Electrical Installations and Electrical Contracts

#### **Disclosure of inter-se relationships between directors and Key Managerial Personnel:**

Shri N. S. R. Chandra Sekhara Rao is the uncle (i.e., father's brother) of the Managing Director, Shri Hari Hara Prasad Nallapati and Smt. Anuradha Anne, CFO & Director.

#### **Listed entities (other than Divyashakti Granites Limited) in which Shri N. S. R. Chandra Sekhara Rao hold directorship and Committees membership**

- Directorship: Nil
- Chairperson/Membership of Board Committees in Divyashakti Granites Limited:  
Member of Audit Committee, Nomination & Remuneration Committee, Performance Evaluation Committee

**Shareholding in the Company:** Nil

### **2. Smt. Anuradha Anne (DIN: 02802437)**

#### **Brief Resume:**

1	Name of the Director	Smt Anuradha Anne
2	Father Name	Late Sri N.V.Rattaiah
3	Date of Birth	10.07.1965
4	Qualifications	Master of Commerce (M.Com)
5	Date of Appointment	12.05.2017
6	Experience	Over 22 Years of versatile experience in Business Administration & Finance.

Nature of Expertise in specific functional areas: Business Administration & Finance.

#### **Disclosure of inter-se relationships between directors and Key Managerial Personnel:**

Smt. Anuradha Anne is the sister of the Managing Director, Shri Hari Hara Prasad Nallapati

#### **Listed entities (other than Divyashakti Granites Limited) in which Smt. Anuradha Anne holds directorship and Committees membership**

- Directorship: Nil
- Chairperson/Membership of Board Committees in Divyashakti Granites Limited:  
Chairman of Internal Complaints Committee, and Member of Stakeholders Relationship Committee, Business Risk Evaluation Committee

**Shareholding in the Company:** 465992 Equity Shares



## **DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure to present the 26th Annual Report and the Audited Accounts for the financial year ended 31st March, 2017.

### **1. FINANCIAL RESULTS**

<b>Particulars</b>	<b>Year ended 31.03.2017 (Rs. in lakhs)</b>	<b>Year ended 31.03.2016 (Rs. in lakhs)</b>
Sales	<b>10833.62</b>	6827.99
Gross Operating Profit before depreciation and exchange variation	<b>1636.17</b>	1259.01
Profit after depreciation but before exchange variation	<b>1523.52</b>	1149.16
Profit after depreciation, exchange variation and before Exceptional Items	<b>1458.64</b>	1534.83
Profit after Exceptional items	<b>1468.75</b>	1534.83
Profit after Tax	<b>957.09</b>	1013.66
<b>Appropriations:</b>		
General Reserves	<b>771.70</b>	828.27
Proposed Dividend	<b>154.03</b>	154.03
Tax on dividend	<b>31.36</b>	31.36
<b>Total</b>	<b>957.09</b>	1013.66

### **2. DIVIDEND**

Your Directors are pleased to recommend for your consideration a Dividend of Rs. 1.50 per share (15% of face value Rs.10/-) on the equity capital of the company for the financial year ended 31st March, 2017, aggregating an amount of Rs. 154.03 lakhs.

### **3. TRANSFERS TO RESERVES AND RETENTION IN THE PROFIT AND LOSS ACCOUNT ETC:**

The Company proposes to transfer an amount of Rs. 771.70 lakhs to Reserves during the financial year under review.

### **4. Finance:**

Cash and cash equivalents as at 31st March, 2017 was Rs. 3840.28 lakhs. The company continues to focus on judicious management of its working capital, receivables, inventories and other working capital parameters and they were kept under strict check through continuous monitoring.

### **5. COMPANY'S WORKING DURING THE CURRENT YEAR 2016-2017 AND THE FUTURE PROSPECTS ALONG WITH REASONS WHILE COMPARING WITH PREVIOUS YEAR RESULTS:**

Your Company has exported polished granite slabs and polished monuments valued at **Rs.10811 lakhs** to U.S.A. during the year under consideration. As regards the Raw Materials, out of the total purchases of Raw Blocks & Slabs valued at **Rs.7804 lakhs** quartz made during the year, about 63% of slabs are Traded/ imported from China.

The year closed on a positive note with export orders on hand to the tune of Rs. 230 lakhs as compared to Rs.240 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. 4006 lakhs.

S.No.	Items	Previous year	Current year
1	Sales (Indian) in Rs.	1,35,51,589	23,03,377
2	Sales (Exports) in Rs.	66,92,47,661	1,08,10,59,115

### **6. CHANGE IN NATURE OF BUSINESS:**

During the year the company has not changed its business.

### **7. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAS OCCURRED**

**BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:**

There are no material changes and commitments that have bearing on the financial position of the Company.

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

There are no significant and material orders by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future.

**9. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY :**

The Management continuously reviews the internal control systems and procedures for the efficient conduct of the company's business. The Company adheres to the prescribed guidelines with respect to the transactions, financial reporting and ensure that all its assets are safeguarded and protected against losses. The Internal Auditors of the company conducts audit on regular basis and the Audit Committee periodically reviews internal audit reports and effectiveness of internal control systems.

**10. DETAILS OF SUBSIDIARY/JOINT VENTURES / ASSOCIATE COMPANIES:**

The Company does not have any subsidiaries or Joint Venture or associate companies.

**11. PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES INCLUDED IN THE CONSOLIDATED**

**FINANCIAL STATEMENT.**

Not Applicable

**12. DEPOSITS**

The company has not accepted any fixed deposits from the public.

**13. AUDITORS AND OBSERVATIONS**

M/s Rambabu & Co, Chartered Accountants, Independent Auditors of the Company who were appointed in the Annual General Meeting held on 30th September, 2014 for a period of three years will retire at the forthcoming Annual General Meeting and are not eligible for reappointment based on the criteria of completion of maximum tenure permitted under the Companies Act, 2013. It is therefore proposed, based on the recommendation of Audit Committee to appointed M/s. Suryanarayana & Suresh Chartered Accountants, as Statutory Auditors from the conclusion of this Annual General Meeting till the conclusion of Twenty ninth (31st) Annual General Meeting for a period of five years, subject to the approval of shareholders.

**14. SECRETARIAL AUDIT REPORT**

Pursuant to provisions of section 204 of the Companies Act, 2013, the Company has appointed Puttaparthi Jagannatham & Co., Company secretaries, a firm of company secretaries to undertake the secretarial audit of the Company. The Secretarial Audit Report obtained is annexed within as Annexure- I

**15. EXTRACT OF ANNUAL RETURN:**

The extract of the Annual Return is attached as Annexure II

**16. SHARE CAPITAL**

None of the following issues were taken up during the year and hence details thereof were not required to be furnished  
A) Issue of shares with differential rights

- B) Issue of sweat equity shares
- C) Issue of employee stock options
- D) Provision of money by company for purchase of its own shares by employees or trustees for the benefit of employees

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

**(A) Conservation of energy**

- a) Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilization and maximum possible savings of energy is achieved.
- b) No specific investment has been made on reduction in energy consumption.
- c) As the impact of measures taken for conservation and optimum utilization of energy are not quantitative, its impact on cost cannot be stated accurately.
- d) Details of electricity consumption is as under:

		<b>2016-17</b>	<b>2015-16</b>
1.	Electricity		
a)	Purchased Units	2063501	2485779
	Total Amount (Rs. in lakhs)	168.55	190.33
	Average Cost/ Unit (Rs./KWH)	8.17	7.66
b)	Own Generation		
	i) Through Solar Plant-(w.e.f. Feb.2017) Produced Energy (in Units)	135300	—
	Total Value estimated (Rs. in lakhs)	8.92	—

	Average Cost/Unit (Rs./KWH)	6.59	—
ii)	Through Diesel Generator (Total Units)	82167	107508
	Total Amount (Rs. in lakhs)	14.50	17.88
	Units per liter of Diesel Oil	3.28	3.26
	Average Cost/ Unit (Rs./KWH)	17.65	16.64

**(B) Technology Absorption:**

No outside technology is being used for manufacturing activities, therefore no technology absorption is required. The Company constantly strives for maintenance and improvement in quality of its products and entire research and development activities are directed to achieve the aforesaid goal.

**(C) Foreign exchange earnings and outgo :** Details of foreign exchange earnings and outgo are as follows : Details of foreign exchange earnings and outgo are as follows :

- a) **Foreign Exchange Earnings** : Rs. 10810.59 Lakhs
- b) **Foreign Exchange Outgo** : Rs. 5420.19 Lakhs

**18. CORPORATE SOCIAL RESPONSIBILITY AND GOVERNANCE COMMITTEE**

Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company has constituted the CSR committee consisting of the following Directors with the roles and responsibilities duly defined in accordance with the CSR Policy Rules. The committee met once on 30.01.2017 during the financial year ended 31st March, 2017.

## DIVYASHAKTI GRANITES LIMITED - HYDERABAD

Name of the Member	Designation
Shri T.R.C. Bose	Chairman
Shri T.H.Sastry	Member
Shri S. Srinivas	Member

The Committee reviewed the CSR Policy and has identified the Education and Environment as the broad areas towards providing clean and hygienic water, and health related areas as the focus areas for CSR activities.

The Company allocated an amount of Rs.30.02 lakhs to be spent during the year 2016-17 for Corporate Social Responsibility. However, the Company couldn't spend the amount earmarked for Corporate Social Responsibility in full due to problems in identifying the better areas and beneficiaries as per its approved CSR Policy. However, an amount of Rs.16.55 lakhs was spent by the company towards the CSR activities in the field of Education and Environment during the year 2016-17.

The report on CSR activities is attached as Annexure III to this Report.

### 19. DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A) Changes in Directors and Key managerial personnel:

- i) In accordance with the provisions of Section 197, 198 and 203 of the Companies Act, 2013 and the rules made thereunder and the Articles of Association of the Company, Shri N.S.R. Chandra Sekhar Rao, who retires by rotation at the forthcoming Annual General Meeting, and being eligible, has offered himself for reappointment as Director of the Company.
- ii) Sri M.V.Subba Rao vide his letter dt.04.10.2016 addressed to the Board submitted his resignation from the post of Director with effect from 04.10.2016 on the ground that his advanced age is

no longer permitting him to discharge his functions as Director. The same was accepted in the Board meeting held on 15th October 2016.

- iii) Smt. Jaishree Nallapti vide her letter dt.10.02.2017 addressed to the Board submitted her resignation from the post of Director with effect from 10.02.2017 due to her preoccupation and personal commitments. The same has been accepted in the Board Meeting held on 27th May 2017.
- iv) Pursuant to the provisions of Section 161 of the Companies Act, 2013 Smt Anuradha Anne has been appointed as additional Director of the Company with effect from 12th May, 2017 to hold office upto the date of the ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing the name of Smt. Anuradha Anne for re-appointment as Director.
- v) In the Board Meeting held on 30th January, 2017 Ms. Priyanka Baldewa was appointed as the Company Secretary and Compliance Officer of the Company in terms of Section 203 of Companies Act 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with effect from 01st January, 2017 based on the recommendation of the Nomination and Remuneration Committee.
- vi) Pursuant to the provisions of Section 203 of the Companies Act, 2013 Smt Anuradha Anne has been appointed as Chief Financial Officer of the Company with effect from 12th May, 2017 based on the recommendation of the Nomination and Remuneration Committee.

**B) Declaration by the Independent Directors of the Company that they meet the criteria of independence as provided in Sec 149(6) of the Companies Act, 2013.**

All the independent Directors have given declarations under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(2) and 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that there is no change in their status of Independence.

**C) Formal evaluation statement by the Board of its own performance, it's committees and individual Directors:**

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has formulated a policy for evaluation of its Board, Board Committee, Director's and their performances and carried out an evaluation of them. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

**D) Number of meetings of the Board of Directors:**

The Directors met for 4 times during period under review. A calendar of meetings is prepared and circulated in advance to all the Directors. The number and details of the meetings of the Board are furnished in the Corporate Governance Report.

**E) Meeting of Independent Directors:**

A separate meeting of Independent Directors of the Company was held on 30.01.2017 as required under Schedule IV to the Companies Act, 2013 (Code for

Independent Directors) and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

At the Meeting, the Independent Directors:

- Reviewed the performance of Non-Independent Directors and the Board as a whole;

**F) Familiarization Programme for Independent Directors**

The Company proactively keeps its Directors informed of the activities of the Company, its management and operations and provides an overall industry perspective as well as issues being faced by the industry. The Familiarisation programme for Independent Directors is disclosed on the Company's website.

**20. AUDIT COMMITTEE:**

The Board of Directors of the Company constituted Audit Committee consisting of the following Directors, with the roles and responsibilities duly defined in accordance with the applicable statutory and other requirements. During the year, four (4) meetings of the Committee took place.

Name of the Member	Designation
Shri T.R.C. Bose	Chairman
Shri T.H.Sastry	Member
Shri N.S.R.C.Sekhara Rao	Member

The Board has accepted all the recommendations of the Audit Committee.

**21. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES:**

The Company at present has the vigil mechanism to deal with the instances of



fraud and mismanagement, if any. The company ensures that strict confidentiality is maintained while dealing with the concerns and also that no discrimination is meted out to any person for a genuinely raised concern. It is taken care of by the audit committee of the company.

The Company has also formulated Whistle Blower Policy through which its Directors, Employees and Stake Holders can report their genuine concern about unethical behavior, actual or suspected fraud, or violation of the company's code of conduct or ethics Policy.

The Company hereby affirms that no Director/ employee have been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

## **22. CODE OF CONDUCT:**

The Board of Directors have approved a code of conduct which is applicable to the members of the Board and all employees in the course of day to day business operations of the Company. The company is against bribery, corruption and unethical dealings / behaviours of any form and the board has laid down the directives to counter such acts. The code laid down by the Board is known as "Code of Business Conduct" and declaration with respect to its compliance forms an appendix to the Report.

The code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders .

All the Board members and senior

Management Personnel have confirmed compliance with the code. All management staff were given training in this regard.

## **23. PREVENTION OF INSIDER TRADING:**

The Company has adopted a Code of Conduct as per Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations, 2015 for prevention of insider trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The code requires pre clearance for dealing in the Company's shares and prohibits the purchase or sale of Company's shares by the Directors and designated employees while in possession of unpublished price sensitive information in relation to the company and during the period when the trading window is closed. The Board is responsible for implementation of the code.

During the year under review, there has been due compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

## **24. NOMINATION AND REMUNERATION COMMITTEE:**

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

<b>Name of Members</b>	<b>Designation</b>
1. Shri T.V.Chowdary	Chairman
2. Shri S. Srinivas	Member
3. Shri N.S.R.C.Sekhara Rao	Member

The Board has formulated a policy in consultation with the Nomination and Remuneration Committee for selection

and appointment of Directors, Senior management and fixation of their remuneration keeping in view the requirements given in section 178 of the companies Act, 2013 and it also involves in the evaluation of the Board and its remuneration policies. During the Financial Year under review, the Committee has met once on 11th January, 2017.

**25. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

All transactions entered with Related Parties for the year under review were on arm's length basis. The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto are disclosed in Form No.AOC-2 as Annexure-IV to this Report.

Policy on Related Party Transaction as approved by Board had been unloaded on Company's website <http://www.divyashakti.com/images/8.%20Policy%20on%20Related%20Party%20Party&20Trnsaction.pdf>

There were no materially significant transactions with Related Parties during the financial year 2016-17 which were in conflict with the interest of the Company. Suitable disclosures as required under AS-18 have been made in Note 3.07 of the Notes to the financial statements.

**26. MANAGERIAL REMUNERATION:**

Details of the ratio of the remuneration of each Director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and

Remuneration of Managerial Personnel) Rules, 2014.

Remuneration to Directors :	2016-17 Rs.	% on total salaries.
(a) N. Hari Hara Prasad Managing Director - Salary - Perquisites	24,00,000 13,27,276	15%
Jaishree Nallapati (Chief Financial Officer) - Salary	6,00,000	2%

- b) There is no information required pursuant to Section 197 read with 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as no employee of the Company is covered by these rules.
- c) No Director is in receipt of any commission from the company and the Managing Director and Whole-time Director of the Company have not received any remuneration or commission from any other Company subject to its disclosure by the Company in the Board's Report.

**27. CORPORATE GOVERNANCE**

As The Directors reaffirm their commitment to good corporate governance practices. During the year under review, the Company was in compliance with the provisions relating to corporate governance as provided under Regulation 27 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The compliance report, together with the Auditors' Certificate on compliance with the conditions of Corporate Governance of the Listing Regulations is enclosed as Annexure - V to this Report.

The Managing Director and Chief Financial Officer of the Company have

issued necessary certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations and the same forms part of this Report.

## **28. 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.

There is no identification of risks which in the opinion of the Board may threaten the existence of the Company

## **29. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that-

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed and that there are no material departures;
- (b) We have selected such accounting policies in consultation with the Statutory Auditors and have 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 the end of the financial year and of the profit of the company for that period;
- (c) We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of

the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- (d) The annual accounts have been prepared on a going concern basis;
- (e) The Company had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) We have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **30 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 2017-2018.

## **31. 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.

The company is pursuing the share holders, including the promoters, holding the shares in physical form for dematerialization of their shares.

**32. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

There are no loans, guarantees or investments made under section 186 of the Companies Act, 2013

**33. MANAGEMENT DISCUSSION & ANALYSIS REPORT**

The Management Discussion and Analysis Report as required Regulation 34(3) and 53(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with stock exchange forms part of this report as Annexure VI

**34. INTERNAL COMPLAINTS COMMITTEE:**

The company constituted "Internal Complaints Committee" as required under section 4 (1) of Sexual harassment of women at work place (Prevention, Prohibition and Redressal) Act, 2013 with the following members.

This committee consists of following members:

1. Smt Jaishree Nallapati\*-  
Chairperson (upto 10.02.2017)

2. Sri S. Sreenivas - Member
3. Sri N.S.R.C. Sekhara Rao  
- Member

\* Consequent on resignation of Smt. Jaishree Nallapati, the Committee has been reconstituted with Smt. Anuradha Anne as Chairperson in the Board Meeting held on 27th May, 2017.

During the year under review, no complaints of harassment at the workplace were received by the committee.

**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 : 27th May, 2017.

**ANNEXURE INDEX**

<b>ANNEXURE</b>	<b>CONTENTS</b>
<b>I</b>	<b>Secretarial Audit Report-Form MR-3</b>
<b>II</b>	<b>Extract of Annual Return - Form MGT - 9</b>
<b>III</b>	<b>Report on CSR Activities</b>
<b>IV</b>	<b>Related Party Transactions -Form AOC-2</b>
<b>V</b>	<b>Corporate Governance Report</b>
<b>VI</b>	<b>Management Discussion and Analysis Report</b>
<b>VII</b>	<b>MD and CFO Certification</b>
<b>VIII</b>	<b>Declaration by MD on Code of Conduct</b>
<b>IX</b>	<b>Certificate on Corporate Governance</b>

**ANNEXURE - I**

**Form No. MR-3**

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

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st March 2017**

To

The Members,

Divyashakti Granites Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Divyashakti Granites Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Divyashakti Granites Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Divyashakti Granites Limited ("the Company") for the financial year ended on 31st March 2017 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External



Commercial Borrowings;

- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014;
  - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - i. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015
- VI. Other specific laws as applicable to the company are:
- a) Mines Act, 1952
  - b) Mines and Minerals (Development and Regulation) Act, 1957.

We have also examined compliance with the applicable Clauses of:

- (i) The Listing Agreement(s) entered into by the Company with Stock Exchange(s);
- (ii) Secretariat Standards issued by The Institute of Company Secretaries of India, to the extent applicable under the Companies Act 2013.

We further report that the Compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed thoroughly in this audit since the same have been subject to review by statutory financial audit and other designated professionals. During the period under review the Company has complied with the provisions of the Act, Rules, regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

- (i) The 1(One) Form MGT-14 for "Approval of Directors Report for the Financial Year 2015-16" was filed late with the MCA.
- (ii) The Prescribed CSR expenditure of 2% of average net profit of the last three years allocated for 2016-17 amounting to Rs. 30.02 Lakhs was not fully spent due to the problems in identifying the areas and beneficiaries. However, an amount of Rs. 16.55 Lakhs has been spent during the year.

**We report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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## **DIVYASHAKTI GRANITES LIMITED - HYDERABAD**

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Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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

Place : Hyderabad

Date : 27.05.2017

**For Puttaparthi Jagannatham & Co.**

**Navajyoth Puttaparthi**

**Partner**

**ACS No: 28843, C P No.: 16041**

**Note: This report is to be read with our letter of even date which is annexed as "Annexure" and forms integral part of this report.**

### **Appendix A:**

To

The Members,

Divyashakti Granites Limited

#### **Our report of even date is to be read with this letter:**

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

Place : Hyderabad

Date : 27.05.2017

**For Puttaparthi Jagannatham & Co.**

**Navajyoth Puttaparthi**

**Partner**

**ACS No: 28843, C P No.: 16041**

**ANNEXURE-II**

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on 31.03.2016**

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

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN	: L99999AP1991PLC012764
ii)	Registration Date	: 04-06-1991
iii)	Name of the Company	: <b>DIVYASHAKTI GRANITES LIMITED</b>
iv)	Category / Sub-Category of the Company	: Public Company, Limited by shares
v)	Address of the Registered office and contact details	: 7-1-58, Divyashakti Apartments Ameerpet, Hyderabad. Phone: 040-23730240, 23731701
vi)	Whether listed company	: Yes
vii)	Name, Address and Contact details of Registrar	: Venture capital & corporate investments Private Limited 120-10-167, Bhartnagar, Hyderabad

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)**

SN	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacture & Export Of Polished Granites Slabs, Tiles & Monuments	68022390	100%

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

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE
	NA		

## DIVYASHAKTI GRANITES LIMITED - HYDERABAD

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% of Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	4467831	1116000	5583831	54.38	4961931	820100	5782031	56.31	1.93
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A)(1):-</b>	<b>4467831</b>	<b>1116000</b>	<b>5583831</b>	<b>54.38</b>	<b>4961931</b>	<b>820100</b>	<b>5782031</b>	<b>56.31</b>	<b>1.93</b>
<b>(2) Foreign</b>									
a) Individuals(Non-Resident Individuals /Foreign Individuals)	0	164760	164760	1.60	0	164760	164760	1.60	0
b) Bodies Corporate	0	0	0	0	0	0	0	0	0
c) Institutions	0	0	0	0	0	0	0	0	0
d) Any other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A)(2):-</b>	<b>0</b>	<b>164760</b>	<b>164760</b>	<b>1.60</b>	<b>0</b>	<b>164760</b>	<b>164760</b>	<b>1.60</b>	<b>0</b>
<b>Total shareholding of Promoter (A)</b>	<b>4467831</b>	<b>1280760</b>	<b>5748591</b>	<b>55.98</b>	<b>4961931</b>	<b>984860</b>	<b>5946791</b>	<b>57.91</b>	<b>1.93</b>
<b>B. Public Shareholding</b>									
1. Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	32111	5600	37711	0.37	59621	5600	65221	0.64	0.23
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	707870	495613	1203483	11.72	874618	472513	1347131	13.12	1.4
ii) Individual share holders holding nominal share capital in excess of Rs 1 lakh	1004313	2230230	3234543	31.50	733706	2032030	2765736	26.93	-4.57
c) Others (specify)									
Non Resident Indians	21484	10700	32184	0.31	9772	10700	20472	0.20	-0.11
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	12358	0	12358	0.12	123519	0	123519	1.20	1.08
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	<b>1778136</b>	<b>2742143</b>	<b>4520279</b>	<b>44.02</b>	<b>1801236</b>	<b>2520843</b>	<b>4322079</b>	<b>42.09</b>	<b>1.93</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1778136	2742143	4520279	44.02	1801236	2520843	4322079	42.09	1.93
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>6245967</b>	<b>4022903</b>	<b>10268870</b>	<b>100</b>	<b>6763167</b>	<b>3505703</b>	<b>10268870</b>	<b>100</b>	<b>0</b>



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### B) Shareholding of Promoters-

SN	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Share of the company	% of Shares Pledged / encumbered to total Shares	% change in share holding during the year
1	Bhaskharamma Karumanchi	164760	1.60	0	164760	1.60	0	0
2	Jaishree Nallapati	505983	4.93	0	505983	4.93	0	0
3	Nallapati Hari Hara Prasad	2332256	22.71	0	2332256	22.71	0	0
4	N V Rattaiah	10520	0.10	0	0	0	0	0.10
5	Bhanu Prasad Nallapati	324620	3.16	0	335140	3.26	0	0.10
6	Anuradha Anne	465992	4.54	0	465992	4.54	0	0
7	A Bhavani Prasad	295900	2.88	0	0	0	0	0
8	G V Krishna	411900	4.01	0	411900	4.01	0	0
9	G Rama Krishna	408100	3.97	0	408100	3.97	0	0
10	Uma Shree Nallapati	317700	3.09	0	317700	3.09	0	0
11	Tejashree Nallapati	510860	4.97	0	510860	4.97	0	0
12	Sai Venkata Prasad Nallapati	0	0	0	494100	4.81	0	4.81

### C) Change in Promoters' Shareholding (please specify, if there is no change)

SN		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	5748591	55.98	5748591	55.98
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus/ sweat equity etc):	Transfer of 198200 shares		5946791	57.91
	At the end of the year	5946791	57.91	5946791	57.91

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**D) Shareholding Pattern of top ten Shareholders:  
(other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>Narayana Swami Daamodhar Jijibai</b>				
	At the beginning of the year	350000	3.41	350000	3.41
	Date wise Increase / Decrease in Share holding during the year	—	—	350000	3.41
	At the end of the year	350000	3.41	350000	3.41
<b>2</b>	<b>SUBRAMANIAN P</b>				
	At the beginning of the year	—	—	—	—
	Purchase of Shares on 14/10/2016	246720	2.40	246720	2.40
	Purchase of Shares on 18/11/2016	280	0	247000	2.41
	Purchase of Shares on 25/11/2016	3000	0.03	250000	2.43
	Purchase of Shares on 02/02/2017	900	0.01	250900	2.44
	At the end of the year	250900	2.44	250900	2.44
<b>3</b>	<b>G MADHAVI</b>				
	At the beginning of the year	127900	1.25	127900	1.25
	Date wise Increase / Decrease in Share holding during the year	—	—	127900	1.25
	At the end of the year	127900	1.25	127900	1.25
<b>4</b>	<b>Lakshmi Lavanya Narra</b>				
	At the beginning of the year	291800	2.84	291800	2.84
	Date wise Increase / Decrease in Share holding during the year	—	—	291800	2.84
	At the end of the year	291800	2.84	291800	2.84
<b>5</b>	<b>G PRAMEELA</b>				
	At the beginning of the year	148500	1.45	148500	1.45
	Date wise Increase / Decrease in Share holding during the year	—	—	148500	1.45
	At the end of the year	148500	1.45	148500	1.45
<b>6</b>	<b>Nagendram Nallapati</b>				
	At the beginning of the year	233600	2.27	233600	2.27
	Date wise Increase / Decrease in Share holding during the year	—	—	233600	2.27
	At the end of the year	233600	2.27	233600	2.27
<b>7</b>	<b>N Lakshminarayana</b>				
	At the beginning of the year	233000	2.27	233000	2.27
	Date wise Increase / Decrease in Share holding during the year	—	—	233000	2.27
	At the end of the year	233000	2.27	233000	2.27

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8	<b>G Laxmi Sowjanya</b>				
	At the beginning of the year	175000	1.70	175000	1.70
	Date wise Increase / Decrease in Share holding during the year	—	—	175000	1.70
	At the end of the year	175000	1.70	175000	1.70
9	<b>A Sarada</b>				
	At the beginning of the year	344830	3.36	344830	3.36
	Date wise Increase / Decrease in Share holding during the year	—	—	344830	3.36
	At the end of the year	344830	3.36	344830	3.36
10	<b>Amita Kirtikumar Vora Kirtikumar Fulchand Vora</b>				
	At the beginning of the year	132746	1.29	132746	1.29
	Date wise Increase / Decrease in Share holding during the year	—	—	132746	1.29
	At the end of the year	132746	1.29	132746	1.29

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

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the
	<b>Directors:</b>				
1	<b>N Hari Hara Prasad, Managing Director</b>				
	At the beginning of the year	2332256	22.71	2332256	22.71
	Date wise Increase / Decrease in Shareholding during the year	—	—		
	At the end of the year	2332256	22.71	2332256	22.71
2	<b>Jaisree Nallapati, WTD &amp; CFO***</b>				
	At the beginning of the year	505983	4.93	505983	4.93
	Date wise Increase / Decrease in Shareholding during the year	—			
	At the end of the year	505983	4.93	505983	4.93
3	<b>Sunkara Srinivas, Director</b>				
	At the beginning of the year	48200	0.47	48200	0.47
	Date wise Increase / Decrease in Shareholding during the year	—			
	At the end of the year	48200	0.47	48200	0.47

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<b>4</b>	<b>Tadepalli Hanumath Sastry, Director</b>	NIL			
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year				
	At the end of the year				
<b>6</b>	<b>Thati Venkataswamy Chowdary, Director</b>	NIL			
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year transfer / bonus/ sweat equity etc):				
	At the end of the year				
<b>7</b>	<b>Rameshchandra Bose Tummula, Director</b>	NIL			
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year				
	At the end of the year				
<b>8</b>	<b>N R S Chandra Sekhar Rao, Director</b>	NIL			
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year				
	At the end of the year				
	<b>Other KMPs</b>				
<b>1</b>	<b>Priyanka Baldewa Company Secretary</b>	NIL			
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year				
	At the end of the year				

\*\*\* Ceased as Director and CFO of the Company w.e.f 10.02.2017

## DIVYASHAKTI GRANITES LIMITED - HYDERABAD

### V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment : NIL

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

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD Sri N.HARI HARA PRASAD				Total Amount
		—	—	—	—	—
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2400000				2400000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1327276				1327276
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission - as % of profit - others, specify...					
5	Others, please specify					
	<b>Total (A)</b>	<b>3727276</b>				<b>3727276</b>
	Ceiling as per the Act					

**DIVYASHAKTI GRANITES LIMITED - HYDERABAD**

**B. Remuneration to other directors: NIL**

SN.	Particulars of Remuneration	Name of Directors					Total Amount
1.	Independent Directors	TV Chowdary	TRC Bose	S. Srinivas	TH Sastry	M V Subba Rao	—
	Fee for attending board committee meetings	12,000	20,000	12,000	20,000	—	64,000
	Commission	—	—	—	—	—	—
	Others: Conveyance for attending Board Meetings	4,000	4,000	4,000	4,000	—	16,000
	Total (1)	16,000	24,000	16,000	24,000	—	80,000
2	Other Non-Executive Directors	Sivarama Chandra Sekhar Rao Nallapati					
	Fee for attending board committee meetings	11,000	—	—	—	—	11,000
	Commission	—	—	—	—	—	—
	Others: Conveyance for attending Board Meetings	1,000	—	—	—	—	1,000
	Total (2)	12,000	—	—	—	—	12,000
	Total (B)=(1+2)		—	—	—	—	
	Total Managerial Remuneration		—	—	—	—	
	Overall Ceiling as per the Act		—	—	—	—	



**DIVYASHAKTI GRANITES LIMITED - HYDERABAD**
**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

SN.	Particulars of Remuneration	Key Managerial Personal			
		CEO	CS	CFO	Total
1	Gross salary	—			—
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		4,32,000	6,00,000	10,32,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		—	—	—
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		—	—	—
2	Stock Option		—	—	—
3	Sweat Equity		—	—	—
4	Commission		—	—	—
	- as % of profit		—	—	—
	others, specify...		—	—	—
5	Others, please specify		—	—	—
	Total		4,32,000	6,00,000	10,32,000

\*\*\*\* Ms. Deepa Dutta Ceased as CS of the Company w. e. f 31.12.2016, consequent on resignation and Ms. Priyanka Baldewa was appointed as CS of the Company w. e. f 01.01.2017.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

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

## **ANNEXURE - III**

### **Report on CSR Activities undertaken by the Company pursuant to Section 135 of the Companies Act, 2013 for the year 2016-17**

**1. A brief outline of the company's CSR policy**

Divyashakti Granites Limited ( 'the Company') has been an early adopter of Corporate Social Responsibility ('CSR') for many years, the Company's CSR initiatives have played a pivotal role in contributing to the society & driving sustainable economic growth in a holistic manner. Presently, the broad focus areas of the Company are:

- a. Education
- b. Health
- c. Environment
- d. Rural Development

Education, Environment and Health are primary focus areas of CSR policy of the Divyashakti. The activities under the Education include primary, secondary and higher education, skill development of rural youth, providing scholarships to meritorious students of underprivileged and promoting preventive healthcare activities such as providing safe and healthy drinking water, aiding hospitals etc. Further thematic areas will be prioritized to reach the underserved segments of the population like women, economically and geographically disadvantaged vulnerable and marginalized population. The company also lays emphasis on employee volunteering in all its CSR efforts.

Companies Act 2013 mandates qualifying companies to constitute Corporate Social Responsibility Committee to effectively monitor CSR activities. Further the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as "CSR Rules") lay down the framework and modalities of carrying out CSR activities which are specified in Schedule VII of the Act.

**2. Composition**

The CSR Committee consists of the following directors:

- Shri T. R. C. Bose
- Shri T. H. Sastry
- Shri S. Srinivas

**3. Details of the CSR expenditure**

Average net profit of the company for last three financial years	Rs.1501.10 Lakhs
Prescribed CSR expenditure (two percent of the amount stated above)	Rs. 30.02 Lakhs
Details of the CSR spent during the financial year	
(i) Total amount to be spent for the financial year	Rs. 30.02 Lakhs
(ii) Total amount spent during the financial year	Rs. 16.55 Lakhs
Amount unspent, if any	Rs. 13.47 Lakhs
In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.	Couldn't spend the amount earmarked for Corporate Social Responsibility in full due to problems in identifying the better areas and beneficiaries as per its approved CSR Policy

4. Manner, in which the amount has been spent during the financial year, is detailed below :

INFORMATION SHEET FOR CORPORATE ON CSR DATA

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
NAME OF THE COMPANY	ON	COMPANY CLASS PUBLIC LIMITED/ PRIVATE LIMITED	COMPANY TYPE GOVERNMENT / NON- GOVERNMENT	DATE OF INCORPORATION / REGISTRATION	RDC	ADDRESS OF REGISTERED OFFICE	MAIN BUSINESS ACTIVITY OF THE COMPANY	RECORDED CSR BUDGET C% OF AVERAGE NET PROFIT I.T. 2013-14, 2014-15 AND 2015-16)	ALLOTTED CSR BUDGET	ACTUAL CSR SPENT IN F.Y.2016-17	ADMINISTRATIVE OVERHEAD EXPENSES	REASON FOR UNDERSPENDING / NOT SPENDING (IF ANY)	DETAILS OF CSR PROGRAMME / PROJECTS / ACTIVITIES	PROJECT DESCRIPTION	SECTORS COVERED WITHIN SCHEDULE VIII	GEOGRAPHICAL AREAS WHERE PROJECTS WERE IMPLEMENTED	STATES WHERE UNDERTAKEN	DISTRICT WHERE UNDERTAKEN	OUTLAY (PROGRAMME/ PROJECT WISE)	EXPENDITURE ON PROGRAMME OR PROJECT	MODE OF IMPLEMENTATION DIRECT OR THROUGH INTERVENING AGENCIES	DETAILS OF INTERVENING AGENCIES
DEVANSI MOTI GRANITES LIMITED	1999	PUBLIC LIMITED	NON- GOVERNMENT	04/06/1994	B D C A N D H R A P A L D E S H I T 2 6 4	BAT NO.1-301 TO 304, DINASHAKH, COMPLEX, 71-58, ANNEPPT HITHABAD- 500016 TELANGANA	PROCESSING A PORTION OF POLISHED GRANITE SLABS, TILES & MONUMENTS	R. 34.01 has been allocated in the year 2015-16 towards CSR activities	R. 30,027 lacs allocated in the year 2016-17	R. 16.55 lacs	NIL	The Board of directors could not spend the entire amount towards CSR due to various problems in the area concerning beneficiaries, it could not spend the remaining amount of R. 13.36 lacs.	1. Board Education 2. Providing Clean and Hygienic Water in Rural Areas 3. Providing Schools development projects in Rural Areas 4. Providing water supply system in Rural Areas	Yes 1. Education 2. Rural development projects	Brenchempeta Willage, Nandigall Willage, Rongpet Willage & Mungpet Willage, Nuzvid Mandali	Telangana	Medak District	1. Rural Education R. 13.04 lacs. 2. Rural development projects R. 3.51 lacs.	R. 16.55 lacs	DIRECT	NA	

5. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report - The Company couldn't spend the amount earmarked for Corporate Social Responsibility in full due to problems in identifying the better areas and beneficiaries as per its approved CSR Policy.
  6. A responsibility statement of the CSR committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company
- The responsibilities of the CSR Committee include:
- Formulating and recommending to the Board of Directors the CSR Policy and indicating activities to be undertaken,
  - Reviewing periodically the amount of expenditure for the CSR activities, and
  - Monitoring CSR activities from time to time

**ANNEXURE - IV**

**Form No. AOC-2**

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

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.**

**1) Details of contracts or arrangements or transactions not at arm's length basis: NIL**

**2) Details of material contracts or arrangement or transactions at arm's length basis-**

S.No.	Name(s) of the related party and nature of relationship	Nature of contracts / arrangement / transactions	Duration of the contacts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Balance outstanding as on Balance Sheet date	Date(s) approval by the Board	Amount paid as advances, if any
1.	M/s. Universal Extrusions Pvt. Ltd., A company in which Managing Director and Director are Directors	Packing wood material (purchase)	NA	Transaction value : Rs. 39,16,299/-	Rs.15,50,868/- (Creditor)	NA	NIL
2.	M/s. Universal Marketing Pvt. Ltd., A company in which Managing Director and Director are Directors	Polished Granite Slabs (third party exports)	NA	Transaction value : Rs. 35,50,000/-	Nil	NA	NIL
3.	M/s. N.V. Rattaiah & Co., A company in which Managing Director and Director are Directors	Sale of granite slabs	NA	Transaction value : Rs. 15,99,544/-	Rs.4,13,591/- (Creditor)	NA	NIL

**ANNEXURE - V****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 comprised of Six (6) Directors as on 31st March, 2017, out of whom One (1) is Managing Director, and Five (5) 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 ast AGM	No .of Directorships in other Boards
1	Shri N.Hari Hara Prasad	4	Yes	4
2	Shri T.H.Sastry	4	Yes	Nil
3	Shri T.V.Chowdary	4	Yes	7
4	Shri M.V.Subba Rao*	Nil	No	Nil
5	Shri N.S.R.C.Sekhar Rao	1	No	2
6	Shri T.R.Chandra Bose	4	Yes	7
7	Shri S.Srinivas	4	Yes	2
8	Smt Jaishree Nallapati**	2	Yes	1

\* Resigned from the Board on 04.10.2016

\*\* Resigned from the Board on 10.02 .2017

The dates of Board Meetings held during the year under review are:

- i) 11th May, 2016
- ii) 30th July, 2016
- iii) 15th October, 2016
- iv) 30th January, 2017

**AUDIT COMMITTEE**

As per Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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, Four (4) meetings of the Committee took place and attendance thereat is as under:

**DIVYASHAKTI GRANITES LIMITED - HYDERABAD**

Name of the Member	Designation	No. of Meetings Attended	Remarks
Shri T.R.C. Bose	Chairman	4	—
Shri T.H. Sastry	Member	4	—
Shri N.S.R.C.Sekhara Rao	Member	4	—

The dates of Audit Committee Meetings held during the year under review are :

Meetings held during the year under review are:

- i) 30th April, 2016
- ii) 11th July, 2016
- iii) 04th October, 2016
- iv) 11th January, 2017

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

As per Regulation 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Section 178 of the Companies Act, 2013, the Board of Directors of the Company constituted Stakeholders Relationship Committee with the role and responsibilities duly defined and in accordance with the applicable statutory and other requirements.

During the year, Four (4) meetings of the Committee took place and attendance thereat is as under:

Name of the Member	Designation	No. of Meetings Attended	Remarks
Shri T.R.C. Bose	Chairman	4	—
Shri S. Srinivas	Chairman	4	—
Smt. Jaishree Nallapati**	Member	2	—

\*\* Smt. Jaishree Nallapti resigned as Director w.e.f 10.02.2017. The Committee has been re-constituted with Smt. Anuradha Anne as member on her place in its board meeting held on 27.05.2017.

Meetings held during the year under review are:

- i) 30th April, 2016
- ii) 11th July, 2016
- iii) 04th October, 2016
- iv) 30th January, 2017

**NOMINATION & REMUNERATION COMMITTEE**

The Board of Directors of the Company 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.



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**DIVYASHAKTI GRANITES LIMITED - HYDERABAD**

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S.No.	Name of Members	Designation
1.	Shri T.V.Chowdary	Chairman
2.	Shri S. Srinivas	Member
3.	Shri N.S.R.C. Sekhara Rao	Member

During the Financial Year under review, the Committee met once on 11.01.2017.

**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.

**POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION**

The Remuneration Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and CEO & Managing Director and their remuneration. This Policy is accordingly derived from the said Charter.

**Criteria of selection of Non Executive Directors**

The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.

In case of appointment of Independent Directors, the Remuneration Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

The Remuneration Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

The Remuneration Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

- i. Qualification, expertise and experience of the Directors in their respective fields;
- ii. Personal, Professional or business standing;
- iii. Diversity of the Board.

In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

On evaluation of the performance of the Board, it has been evaluated that

- a) Mr. N. Hari Hara Prasad as Managing Director of the company has been playing pivotal role in the operations and the marketing of the company's product and his contribution has been rated as very good.
- b) The Non Executive Directors have given valuable suggestions and their constructive appreciation of the performance has yielded positive results and their contribution has been rated as good.

- c) Mrs. Jaishree Nallapati, Woman Director is overseeing the Finance and General welfare of the employees including Women employees and her contribution has been rated very well.
- d) Other independent Directors by their contribution and presence contributed to the corporate governance and discharge of CSR initiatives and their performance has been rated good.

**Remuneration**

Non Executive Directors shall be entitled to receive remuneration by way of sitting fees for each meeting of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and for reimbursement of expenses for participation in the Board meetings.

***CEO & Managing Director - Criteria for selection / appointment***

For the purpose of selection of the CEO & MD, the Remuneration Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfils such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

***Remuneration for the CEO & Managing Director***

At the time of appointment or re-appointment, the CEO & Managing Director shall be paid such remuneration as may be mutually agreed between the Company (Remuneration Committee and the Board of Directors) and the CEO & Managing Director within the overall limits prescribed under the Companies Act, 2013.

The remuneration shall be subject to the approval of the Members of the Company in General Meeting.

The remuneration of the CEO & Managing Director comprises only of fixed component. The fixed component comprises salary, allowances, perquisites, amenities and retirement benefits.

***Remuneration Policy for the Senior Management Employees***

In determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Committee Members) the remuneration committee shall ensure the relationship of remuneration and performance benchmark is clear.

The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein above, whilst recommending the annual increment and performance incentive to the remuneration committee for its review and approval.

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**DIVYASHAKTI GRANITES LIMITED - HYDERABAD**

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**PERFORMANCE EVALUATION COMMITTEE**

The company has formed a performance evaluation committee consisting of the following members:

<b>Name of the Member</b>	<b>Designation</b>
Shri T.R.C.Bose	Chairman
Shri N.S.R.C.Sekhara Rao	Member
Shri S.Srinivas	Member

The committee met 2 times during the financial year ended March 31, 2017. The attendance record of the members at the meeting were as follows

<b>Name of the Member</b>	<b>Designation</b>	<b>No. of Meetings Attended</b>
Shri T.R.C.Bose	Chairman	2
Shri N.S.R.C.Sekhara Rao	Member	1
Shri S.Srinivas	Member	2

Pursuant to the provisions of the Companies Act, 2013 and Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Appointment and Remuneration Committees.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority share-holders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

**BUSINESS RISK EVALUATION / MANAGEMENT COMMITTEE**

The company has formed a Business Risk Evaluation/Management Committee consisting of the following members.

<b>Name of the Member</b>	<b>Designation</b>	<b>No. of Meetings Attended</b>
Sri T.H.Sastry Independent Director	Chairman	2
Sri T.V Chowdhary Independent Director	Member	2
S. Srinivas Independent Director	Member	2
Jaishree Nallapati Whole Time Director, C.F.O.**	Member	2

\*\* Smt. Jaishree Nallapti resigned as Director w.e.f 10.02.2017. The Committee has been re-constituted with Smt. Anuradha Anne as member on her place, in its board meeting held on 27.05.2017.

Business Risk Evaluation and Management is ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks and also identify business opportunities.

The objectives and scope of the Risk Management Committee broadly comprise of

1. Oversight of risk management performed by the executive management;
2. Reviewing the BRM policy and framework in line with local legal requirements and SEBI guidelines;
3. Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
4. Defining framework for identification, assessment, monitoring, mitigation and reporting of risks;

#### **INDEPENDENT DIRECTORS' MEETING:**

During the year under review, the Independent Directors met on 30.01.2017, inter alia, to discuss:

1. Evaluation of the performance of the Non Independent Directors and the Board of Directors as a Whole;
2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors;
3. Evaluation of the quality, contents and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

#### **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**

- i) In accordance with the Companies Act, 2013 and the rules made thereunder and the Articles of Association of the Company, Shri N.S.R. Chandra Sekhar Rao, who retires by rotation at the forthcoming Annual General Meeting, and being eligible, has offered himself for reappointment as Director of the Company.
- ii) Pursuant to the provisions of Section 161 of the Companies Act, 2013 Smt Anuradha Anne has been appointed as additional Director of the Company with effect from 12th May, 2017 and she shall hold office upto the date of the ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing the name of Smt. Anuradha Anne for appointment as Director.

## **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 on corporate governance by the Secretarial Auditors:  
Certificate of the Secretarial Auditor's has been obtained on the compliance of the conditions of Corporate Governance in terms of Regulation 34(3) and 53(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same is annexed to this report as Annexure IX.
- 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 Regulation 34(3) and 53(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has adopted non-mandatory requirement of this clause, viz., and 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 Exchange, uploaded on the BSE Listing Center 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 Discussion & Analysis :-

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

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

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**DIVYASHAKTI GRANITES LIMITED - HYDERABAD**

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**GENERAL BODY MEETINGS**

The last three Annual General Meetings were held as under:

AGM No.	Location	Date	Time	Whether any special Resolutions were passed
23 <sup>rd</sup> AGM	The Institution of Engineers, Khairatabad, Hyderabad.	30.09.2014	11.00 a.m	Yes
24 <sup>th</sup> AGM	- DO -	30.09.2015	11.00 a.m	No
25 <sup>th</sup> AGM	- DO -	30.09.2016	11.00 a.m	No

**DEMATERIALIZATION OF SHARES**

The shares of the company to the extent of 6763167 have been dematerialized and the shares to the extent of 3505703 are held in physical form and the shareholders are advised to contact the depository participants of 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 Day, Date and Time Venue	: : :	: Monday, 25th September, 2017 at 11.00 a.m The Institution of Engineers Khairatabad, Hyderabad-500 004
b) Financial Calendar	:	: 1st April to 31st March
c) Date of Book Closure	:	: 19-09-2017 TO 25-09-2017 (both days inclusive)
d) Dividend Payment Date	:	: ON OR BEFORE 25.10.2017
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) Listing Fee	:	: Annual listing fee for the financial year 2017-18 paid to the Stock Exchange.
h) Depository Fee	:	: Annual custody fee for the financial year 2017-18 paid to National Securities Depository (NSDL) and Central Depository Services India Limited (CDSL).
i) International Securities Identification Number	:	: INE410G01010
j) Code/Symbol	:	: BSE - 526315



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**DIVYASHAKTI GRANITES LIMITED - HYDERABAD**

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**k) Market Price Data :**

Month	BSE		
	High (Rs.)	Low (Rs.)	No. of Shares
April, 16	89.00	76.50	11,383
May, 16	90.00	74.20	18,275
June, 16	106.00	72.00	2,60,240
July, 16	127.95	101.05	1,90,184
August, 16	151.40	116.30	2,49,627
September, 16	156.20	122.30	2,79,242
October, 16	176.95	121.20	75,537
November, 16	130.95	87.55	1,17,950
December, 16	114.25	87.00	21,581
January, 17	120.15	93.00	64,937
February, 17	126.90	111.00	58,557
March, 17	139.85	120.00	1,12,257

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

**m) Share Transfer Systems :**

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

**n) Distribution of Shareholdings ( As on 31.03.2017)**

Share Holdings	No. of Shareholdings	% of total	No. of Shares	% of total
Up to 500	4124	88.96	5711870	5.56
501 - 1000	232	5.00	1945090	1.89
1001 - 2000	118	2.55	1765980	1.72
2001 - 3000	52	1.12	1386130	1.35
3001 - 4000	22	0.47	790470	0.77
4001 - 5000	16	0.35	748640	0.73
5001 - 10000	27	0.58	1978080	1.93
10001 & above	40	0.97	88362440	86.05
Total	4631	100	10268870	100.00

**DIVYASHAKTI GRANITES LIMITED - HYDERABAD**

**o) Promoters Shareholdings ( As on 31.03.2017)**

<b>Sl. No</b>	<b>Name of the Promoter Mr./Ms</b>	<b>No. of Shares</b>	<b>% of Total</b>
1	TEJASHREE NALLAPATI	510860	4.97
2	BHASKHARAMMA KARUMANCHI	164760	1.60
3	JAISHREE NALLAPATI	505983	4.93
4	NALLAPATI HARI HARA PRASAD	2332256	22.71
5	BHANU PRASAD NALLAPATI	335140	3.26
6	ANURADHA ANNE	465992	4.55
7	SAI VENKATESHWARA PRASAD NALLAPATI	494100	4.81
8	G V KRISHNA	411900	4.01
9	G RAMA KRISHNA	408100	3.98
10	UMA SHREE NALLAPATI	317700	3.09
	<b>TOTAL</b>	<b>5946791</b>	<b>57.91</b>

**p) Details of shares**

<b>Mode</b>	<b>No. of shares</b>	<b>% to paid up Capital</b>
CDSL	5713752	55.64 %
NSDL	1049415	10.22 %
Physical	3505703	34.14 %
<b>Total</b>	<b>10268870</b>	<b>100%</b>

**q) Shareholding pattern as on March 31, 2017**

<b>S. No.</b>	<b>Category</b>	<b>No. of Holders</b>	<b>No. of Shares</b>	<b>% to paid up capital</b>
1	Promoter - (Individuals/ HUF/NRI)	10	5946791	57.91
2.	Public-			
a.	Individuals Individual Share Holders holding nominal share capital up to 2 Lakh	4490	1496248	14.57
b.	Individual Share Holders holding nominals hare capital in excess of 2 Lakh	18	2616619	25.48
c.	Bodies Corporate	41	65221	0.64
d.	Clearing Member	22	123519	1.20
e.	Trust	0	0	0
f.	Non Resident Individuals	50	20472	0.20
g.	Foreign Institutional Investors	0	0	0
h.	Mutual Funds	0	0	0
i.	Banks	0	0	0
	<b>TOTAL</b>	<b>4631</b>	<b>10268870</b>	<b>100</b>

## **DIVYASHAKTI GRANITES LIMITED - HYDERABAD**

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r) 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.

s) **Plants Locations** : DIVYASHAKTI GRANITES LIMITED  
Survey No.432/1 & 447,  
Narsapur Village, Medak District, T.S.

t) **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.

u) **Compliance Officer** : Shareholders can correspond at the  
Registered office of the Company at  
Hyderabad with **Ms. Priyanka Baldewa**,  
Compliance Officer.

**ANNEXURE-VI**

**MANAGEMENT DISCUSSIONS & ANALYSIS REPORT**

**Granite Industry Overview**

Granite is one of the most sought after material among all building stone. In the past, granite pillars and beams were used to support huge structures of temples and palaces and were used for making protective walls. Now with the invention of modern tools of better hardness and polishing ability, use of granite has increased on account of its aesthetic value. Granite is in demand due to its amenability for taking mirror like polish, high compressive strength, longevity and aesthetics. Granite finds application in many areas; accordingly market is segmented among four product categories, namely - Natural stone processing industry - Building Industry - Funerary Industry and - Consumer market.

**Economy**

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

**Our Business**

Your company is a 100% Export Oriented Unit (EOU), located at Hyderabad, Telangana. Your company exports to more than (2) Two countries. Our business is classified across a Single (One) segments:

- Polished Granite Slabs & Tiles

**Financial Performance of the Company / Operations**

The financial performance for the company during the financial year 2016-17:

- Net sales during the year Rs. 108.34 crores as against Rs.68.28 crores in last year.
- Net Profits during year Rs.9.57 crores as against Rs.10.14 crores in last year.
- Basic and diluted earnings per share stood at 9.32 in 2016-17 as against 9.87 in last year.

**Profitability**

Your Company's profitability decreased due to increase in Currency Fluctuation losses in the financial year 2016-17. Your company had made a gross profit of Rs. 14.69 crores during the year as against the gross profit of Rs. 15.35 crores of the last year 2015-16.

**Results of operations**

Your Company generated an after tax profits of Rs. 9.57 crores in 2016-17 which was lower as compared to Rs.10.14 crores generated last year.

Profit before tax and exceptional items stood at Rs. 14.59 crore as against a profit of Rs.15.35 crore last year. After reckoning a current and deferred tax liability of Rs. 5.12 crores, Profit after tax for the current year stood at Rs. 9.57 crores. The earnings per share decreased from Rs.9.87 in 2015-16 to Rs.9.32 in the current year under review.

Your Company has continued to publish its accounts in line with last year.

### **Opportunities and Threats to the Industry**

Your Company functions in a business environment which is subject to increasing globalization and competition. As such, controlling risk is critical to the businesses performance and your Company by virtue of undertaking diligent monitoring manages the same. The management cautions that the risks outlined hereunder are not exhaustive and are indicative only:

- Inability to source quality granite blocks for processing continues to remain one of the major difficulties for the granite industry and is expected to continue in the future as well.
- Despite being present in multiple markets, the Company derives major proportion of its revenues from United States of America. Any shift in the consumption pattern on account of political or economic events in that market could have a material impact on our business as well.
- Our clients are spread across a large geographical area and despite examining their financial health at the time of order acceptance, there is a chance some of them may not be able to honour their commitment on time
- Heightened volatility in currency exchange rate following changing economic environment can have a bearing on the Company's financial condition, besides impacting its performance and may affect the comparability of results between the Company's financial periods.

### **Risk Management**

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, and fluctuations in foreign currency etc.

### **Internal Control Systems and Adequacy**

The Company has an adequate system of internal control implemented by the management towards achieving efficiency in operations, optimum utilization of resources and effective monitoring thereof and compliance with all applicable laws.

### **Human Resources**

Your Company recognizes the value addition of its employees and their contribution to the growth and development of the Company. In turn, the Company is committed to train and develop it's people and motivate them. Industrial relations have been cordial and mutually beneficial.

**ANNEXURE-VII**

**MANAGING DIRECTOR (MD) AND CHIEF FINANCIAL OFFICER (CFO)  
CERTIFICATION**

To

**The Board of Directors' of Divyashakti Granites Limited.**

Dear Sirs,

**Sub: Managing Director (MD) and Chief Financial Officer (CFO) Certification**

**Pursuant to the provisions of Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

We have reviewed the financial statements and the cash flow statement of Divyashakti Granites Limited for the year ended March 31, 2017 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: 27.05.2017.

**ANURADHA ANNE**  
Chief Financial Officer

**N.HARI HARA PRASAD**  
Managing Director/CEO



**ANNEXURE-VIII**

**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,

**ANURADHA ANNE**

**N.HARI HARA PRASAD**

Date: 27.05.2017.

Chief Financial Officer

Managing Director/CEO

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**ANNEXURE - IX**

**CERTIFICATE ON CORPORATE GOVERNANCE**

**To**

**The Members of**

**DIVYASHAKTI GRANITES LIMITED, HYDERABAD.**

We have examined the compliance of conditions of Corporate Governance by M/s. Divyashakti Granites Limited for year ended 31st March, 2017 as stipulated in Regulation 27 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company with the Bombay Stock Exchange.

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 Listing Agreements and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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**

**Sd/-**

**NAVJYOTH PUTTAPARTHI  
PARTNER**

**CP No. 16041**

Place: Hyderabad.

Date: 27-05-2017

## INDEPENDENT AUDITORS' REPORT

To the Members of  
**DIVYASHAKTI GRANITES LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of DIVYASHAKTI GRANITES LIMITED ("the Company") which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the 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**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order under Section 143(11) of the Act.

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

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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so

## **DIVYASHAKTI GRANITES LIMITED - HYDERABAD**

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required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its Profit and its Cash Flow for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books;
  - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 and in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations as at 31st March, 2017 on its financial position in its financial statements as referred to in Note No.3.01 in financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. The company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer to Note No.3.09 to the financial statements.

Place: Hyderabad  
Date: 30.05.2017

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

**RAVI RAMBABU**  
Partner  
M.No.018541

**"Annexure A" to the Independent Auditors' Report**

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2017:

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;  
(b) As explained to us, the fixed assets have not been physically verified by the management according to the phased program designed to cover all the fixed assets over the year.
- ii) The inventory has been physically verified by the management during the year and the discrepancies noticed on such verification between the physical stock and the book records were not material. In our opinion, the frequency of such verification is reasonable.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi) We informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- vii) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.  
According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.  
(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.

## **DIVYASHAKTI GRANITES LIMITED - HYDERABAD**

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- ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 of the Order are not applicable to the Company.
- xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

Place: Hyderabad  
Date: 30.05.2017

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

**RAVI RAMBABU**  
Partner  
M.No.018541

**"Annexure B" to the Independent Auditor's Report**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

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

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting

principles. A company's internal financial control over financial reporting includes those policies and procedures that

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

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

Place: Hyderabad  
Date: 30.05.2017

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

**RAVI RAMBABU**  
Partner  
M.No.018541



**DIVYASHAKTI GRANITES LIMITED - HYDERABAD**

**BALANCE SHEET AS AT 31ST MARCH, 2017**

PARTICULARS	Note No.	AS AT 31.03.2017 Rs.	AS AT 31.03.2016 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share Capital	1.01	<b>10,26,88,700</b>	10,26,88,700
(b) Reserves & Surplus	1.02	<b>83,19,27,519</b>	75,47,57,293
<b>(2) Non-current Liabilities</b>			
(a) Deferred Tax liabilities (Net)	1.03	<b>81,43,776</b>	75,77,772
<b>(3) Current Liabilities</b>			
(a) Trade Payables	1.04	<b>10,08,64,560</b>	3,81,96,972
(b) Other Current Liabilities	1.05	<b>1,89,59,170</b>	3,98,52,753
(c) Short-Term Provisions	1.06	<b>2,07,82,134</b>	2,15,82,287
<b>TOTAL</b>		<b>1,08,33,65,859</b>	96,46,55,777
<b>II ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) <b>Fixed Assets</b>			
Tangible Assets	1.07	<b>7,95,99,001</b>	6,32,45,194
(b) <b>Long term loans and advances</b>	1.08	<b>1,27,68,663</b>	33,71,460
<b>(2) Current Assets</b>			
(a) Inventories	1.09	<b>12,27,85,732</b>	7,43,35,319
(b) Trade receivables	1.10	<b>44,40,48,144</b>	28,22,42,922
(c) Cash & Cash equivalents	1.11	<b>41,12,57,662</b>	53,56,94,137
(d) Short-term loans and advances	1.12	<b>1,04,44,184</b>	52,09,985
(e) Other current assets	1.13	<b>24,62,473</b>	5,56,760
Significant Accounting Policies & Notes forming part of the Financial Statements.			
<b>TOTAL</b>		<b>1,08,33,65,859</b>	96,46,55,777

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 : 27.05.2017

For and on Behalf of the Board

**ANNE ANURADHA**  
Addl. Director &  
Chief Financial Officer

**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, 2017**

(Rupees)

PARTICULARS	Note No.	For the Year ended 31.03.2017	For the Year ended 31.03.2016
<b>I REVENUE FROM OPERATIONS</b>	2.01		
Sale of Products ( Exports)		35,28,79,612	38,95,04,480
Sale of Products ( DTA sales)		25,91,299	1,52,81,466
Sale of Traded goods (Exports)		72,81,79,503	27,97,43,181
		<u>1,08,36,50,414</u>	<u>68,45,29,127</u>
Less: Excise Duty		2,87,922	17,29,877
<b>REVENUE FROM OPERATIONS (Net)</b>		<u>1,08,33,62,492</u>	<u>68,27,99,250</u>
<b>II OTHER INCOME</b>	2.02	91,22,467	5,27,17,828
<b>III TOTAL REVENUE (I+II)</b>		<u>1,09,24,84,959</u>	<u>73,55,17,078</u>
<b>IV EXPENSES</b>			
(a) Cost of Materials Consumed	2.03	13,03,01,450	18,09,84,344
(b) Purchases of Traded goods	2.04	67,03,46,254	23,85,14,944
(c) Change of Inventories of finished goods			
work-in-progress (accretion)/decretion	2.05	(42,09,694)	28,39,664
(d) Manufacturing Expenses	2.06	6,34,34,924	8,15,13,096
(e) Employees benefit expenses	2.07	2,52,24,391	2,46,16,448
(f) Finance Cost	2.08	16,82,999	5,23,165
(g) Depreciation and amortization expenses	1.08	1,12,65,425	1,09,85,134
(h) Other Expenses	2.09	4,20,86,712	4,20,57,485
(i) Net (gains)/loss on foreign currency transactions & translation	2.10	64,88,181	—
<b>Total Expenses</b>		<u>94,66,20,642</u>	<u>58,20,34,280</u>
<b>V Profit before exceptional items (III - IV)</b>	<b>(A-B)</b>	<u>14,58,64,317</u>	<u>15,34,82,798</u>
<b>VI Exceptional Items</b>	2.11	10,11,023	—
<b>VII Profit before Tax</b>		<u>14,68,75,340</u>	<u>15,34,82,798</u>
<b>VIII Tax Expenses</b>			
(1) Current Tax		5,06,00,000	5,38,45,000
(2) Tax expenses relating to earlier years		—	(52,096)
(3) Deferred Tax (Asset)		5,66,004	(16,76,447)
<b>IX Net Profit for the year</b>		<u>9,57,09,336</u>	<u>10,13,66,341</u>
<b>X Earning per share</b>	2.12		
(Par value per share Rs.10/-each)			
i) Basic		9.32	9.87
ii) Diluted		9.32	9.87

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

As per our Report of even date attached

For and on Behalf of the Board

**For RAMBABU & Co.,**

Chartered Accountants  
Firm Reg. No. 002976 S

**RAVI RAMBABU**

Partner  
Membership No.18541

Place : Hyderabad.

Date : 27.05.2017

**ANNE ANURADHA**  
Addl. Director &  
Chief Financial Officer

**N.HARI HARA PRASAD**  
Managing Director

**T.H.SASTRY**  
Director

**T.V.CHOWDARY**  
Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017**

(Rupees)

<b>PARTICULARS</b>	<b>31.03.2017</b>	<b>31.03.2016</b>	<b>Year ended 31.03.2017</b>	<b>Year ended 31.03.2016</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>				
<b>Net profit before tax and extraordinary items</b>			<b>14,68,75,340</b>	<b>15,34,82,798</b>
Adjustments for :-				
Depreciation	<b>1,12,65,425</b>	1,09,85,134		
Exceptional Items	—	—		
Interest Income	<b>(31,68,644)</b>	(59,85,364)		
Miscellaneous expenses written off	—	—		
			<b>80,96,781</b>	<b>49,99,770</b>
<b>Operating profit before working capital changes</b>			<b>15,49,72,121</b>	<b>15,84,82,568</b>
Working capital Adjustments for :-	<b>15,49,72,121</b>	15,84,82,568		
Trade and other Receivables	<b>(16,89,45,134)</b>	55,06,382		
Inventories	<b>(4,84,50,413)</b>	16,21,457		
Trade Payable	<b>4,13,45,774</b>	84,31,991		
			<b>(17,60,49,773)</b>	<b>1,55,59,830</b>
<b>Cash generated from operations</b>			<b>(2,10,77,652)</b>	<b>17,40,42,398</b>
Income Tax Paid	<b>(6,10,24,535)</b>	(5,29,02,712)		
Income Tax of earlier period (other than tax on Dividend)	—	52,096		
			<b>(6,10,24,535)</b>	<b>(5,28,50,616)</b>
<b>Net cash inflow from operating activities</b>			<b>(8,21,02,187)</b>	<b>12,11,91,782</b>
<b>B. CASH FROM INVESTING ACTIVITIES:-</b>				
F. E. Fluctuations - Capital items.	—	—		
Interest received	<b>31,68,644</b>	59,85,364		
Purchase/Sale of fixed assets	<b>(2,76,19,232)</b>	(67,406)		
Deposit of Margin Money	—	—		
Realisation of Margin Money	<b>(98,00,000)</b>	3,24,75,000		
			<b>(3,42,50,588)</b>	<b>3,83,92,958</b>
<b>Net cash flow from investing activities</b>			<b>(3,42,50,588)</b>	<b>3,83,92,958</b>

**DIVYASHAKTI GRANITES LIMITED - HYDERABAD****CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017**

(Rupees)

PARTICULARS	31.03.2017	31.03.2016	Year ended 31.03.2017	Year ended 31.03.2016
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Issue of Share capital	—	—		
Calls in arrears received	—	—		
Subsidy	—	—		
Interest paid	—	—		
Dividend paid	(1,50,75,600)	(1,54,85,338)		
Tax on Dividend paid	(31,35,805)	(31,35,805)		
Proceeds from long term borrowings	—	—		
<b>Net Cash flow from financing activities</b>			<b>(1,82,11,405)</b>	<b>(1,86,21,143)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A)+(B)+(C)</b>			<b>(13,45,64,180)</b>	<b>14,09,63,597</b>
Cash and cash equivalents as at 01.04.2016			<b>51,85,92,221</b>	<b>37,76,28,624</b>
<b>Cash and cash equivalents as at 31.03.2017</b>			<b>38,40,28,041</b>	<b>51,85,92,221</b>
<b>Significant Accounting Policies &amp; Notes forming part of the Financial Statements.</b>				

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 : 27.05.2017

For and on Behalf of the Board

**ANNE ANURADHA**  
Addl. Director &  
Chief Financial Officer

**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, Telangana State and it's Reg. Office at 7-1-58, Divyashakti Complex, Ameerpet, Hyderabad, Telangana, 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, 2013. 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.

**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. There coverable 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.

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**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.

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**(i) 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.



## DIVYASHAKTI GRANITES LIMITED - HYDERABAD

### III. NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees)

PARTICULARS	No. of Shares	AS AT 31.03.2017	No. of Shares	AS AT 31.03.2016
<b>NOTE: 1-01 SHARE CAPITAL</b>				
<b>AUTHORIZED CAPITAL</b>				
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:	1,02,68,870	10,26,88,700	1,02,68,870	10,26,88,700
Equity Shares of Rs.10/-each with voting rights				
Subscribed but not fully paid up:	—	—	—	—
Equity Shares of Rs.10/-each with voting rights				
Rs.5/-not paid up	1,02,68,870	10,26,88,700	1,02,68,870	10,26,88,700
Forfeiture of partly paid equity shares	—	—	—	—
TOTAL	1,02,68,870	10,26,88,700	1,02,68,870	10,26,88,700

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

#### Equity Shares:

PARTICULARS	No. of Shares	AS AT 31.03.2017 Rs.	No. of Shares	AS AT 31.03.2016 Rs.
At the beginning of the year	1,02,68,870	10,26,88,700	1,02,68,870	10,26,88,700
Less: Movement during the Year (fortuited )	—	—	—	—
At the end of the year	1,02,68,870	10,26,88,700	1,02,68,870	10,26,88,700

#### 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 compnay, the holders of equity shares will be entitled to receive remaining assets of the company, after distrubution of all preferential amounts. The distrubution 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, 2017		31st March, 2016	
	No.of shares	% Holding	No.of shares	% Holding
Sri N.Hari Hara Prasad	2332244	22.53	2332244	22.53

**DIVYASHAKTI GRANITES LIMITED - HYDERABAD**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Rupees)

PARTICULARS	No. of Shares	AS AT 31.03.2017	No. of Shares	AS AT 31.03.2016
<b>NOTE: 1.02 RESERVES &amp; SURPLUSES</b>				
<b>Capital Reserve</b>				
a) State Subsidy		<b>15,00,000</b>		15,00,000
b) Partly paid equity share capital forfeited		<b>4,06,000</b>		4,06,000
c) General Reserve				
Opening Balance	<b>75,28,51,293</b>		67,00,24,062	
Add: Transfer from surplus in statement of Profit and loss	<b>7,71,70,226</b>		<b>8,28,27,231</b>	
Closing Balance		<b>83,00,21,519</b>		75,28,51,293
c) Surplus/(deficit) in Statement of Profit & Loss				
Opening Balance	—		—	
Add: Profit for the year	<b>9,57,09,305</b>		<b>10,13,66,841</b>	
Less: Dividend Proposed to be distributed to equity share holders (Rs.1.50p per share)	<b>1,54,03,305</b>		<b>1,54,03,305</b>	
Tax on Dividend	<b>31,35,805</b>		<b>31,35,805</b>	
Transfer to General Reserve	<b>7,71,70,226</b>		<b>8,28,27,231</b>	
Closing Balance		—		—
<b>TOTAL</b>		<b>83,19,27,519</b>		75,47,57,293
<b>NOTE: 1.03 DEFERRED TAX LIABILITES (NET)</b>				
Opening Balance		<b>75,77,772</b>		92,54,219
Add/(Less) for the year		<b>5,66,004</b>		(16,76,447)
<b>TOTAL</b>		<b>81,43,776</b>		75,77,772
<b>NOTE: 1.04 TRADE PAYABLES</b>				
Sundry Creditors for Materiel Supplies		<b>8,59,36,270</b>		2,27,30,107
Sundry Creditors for Services		<b>74,08,889</b>		88,51,021
Sundry Creditors for Consumables		<b>75,19,401</b>		66,15,844
<b>TOTAL</b>		<b>10,08,64,560</b>		3,81,96,972
<b>NOTE: 1.05 OTHER CURRENT LIABILITIES</b>				
(a) Outstanding Liabilities - Volume rebate on sales		<b>1,10,13,169</b>		2,50,02,089
(b) Advances received from Customers		<b>35,03,329</b>		1,05,20,805
(c) Unclaimed Dividend		<b>14,29,621</b>		11,01,916
(d) Other Outstanding Liabilities		<b>30,13,051</b>		32,27,943
<b>TOTAL</b>		<b>1,89,59,170</b>		3,98,52,753
<b>NOTE: 1.06 SHORT TERM PROVISIONS</b>				
(a) Provision for Employee benefits				
(i) Provision for Gratuity		<b>22,43,024</b>		16,74,830
(b) Provision for others				
(i) Provision for Tax (Net off prepaid taxes of Rs.15,32,20,668/-)		—		10,27,332
(ii) Provision for Proposed Dividend		<b>1,54,03,305</b>		1,54,03,305
(iii) Tax on Dividend Proposed		<b>31,35,805</b>		31,35,805
<b>TOTAL</b>		<b>2,07,82,134</b>		2,15,82,287

**DIVYASHAKTI GRANITES LIMITED - HYDERABAD**
**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 01.04.2016 Rs.	Additions Rs.	Disposals Rs.	As At 31.03.2017 Rs.	Balance As At 31.03.2016 Rs.	Elimination on disposa of Asset Rs.	Depreciation / amortisation for the Year Rs.	Balance As At 31.03.2017 Rs.	As At 31.03.2017 Rs.	As At 31.03.2016 Rs.
I	Tangible Assets										
1	Land and Site Development	67,41,671	5,82,000	—	73,23,671	—	—	—	—	73,23,671	67,41,671
2	Factory Buildings	4,11,73,513	—	—	4,11,73,513	2,43,88,094	—	13,75,195	2,57,63,289	1,54,10,224	1,67,85,419
3	Office Premises	28,42,278	—	—	28,42,278	10,09,718	—	46,329	10,56,047	17,86,231	18,32,560
4	Plant and Machinery	20,56,24,348	—	—	20,56,24,348	17,81,31,208	—	***85,11,420	18,66,42,628	1,89,81,720	2,74,93,140
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	7,26,964	—	*	7,26,964	38,261	38,261
7	Electrical Equipment	25,86,402	—	—	25,86,402	24,57,082	—	*	24,57,082	1,29,320	1,29,320
8	Solar Power Plant	—	2,69,48,939	—	2,69,48,939	—	—	2,75,743	2,75,743	2,66,73,196	—
9	Air Conditioners	2,06,240	—	—	2,06,240	1,95,928	—	*	1,95,928	10,312	10,312
10	Generator Set	76,90,400	—	—	76,90,400	11,87,206	—	3,65,294	15,52,500	61,37,900	65,03,194
11	Motor Car	75,53,908	—	—	75,53,908	42,74,803	—	** 6,73,992	49,48,795	26,05,113	32,79,105
12	Motor Cycle/Mopeds	4,18,084	88,293	—	5,06,377	2,78,070	—	** 17,452	2,95,522	2,10,855	1,40,014
13	Motor Vehicle - Van	4,96,000	—	—	4,96,000	4,71,200	—	*	4,71,200	24,800	24,800
14	Transformers	49,21,236	—	—	49,21,236	46,67,532	—	*	46,67,532	2,53,704	2,53,704
	Total	28,12,93,180	2,76,19,232	—	30,89,12,412	21,80,47,986	—	1,12,65,425	22,93,13,411	7,95,99,001	6,32,45,194
	Previous year	28,12,25,774	67,406	0	28,12,93,180	20,70,62,852	0	1,09,85,134	21,80,47,986	6,32,45,194	—
II	Intangible Assets	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total	—	—	—	—	—	—	—	—	—	—
*	Depreciation restricted to 95% of Asset Value.										
**	Depreciation already restricted to 95% in respect of Assets/Value of (item no.10) Rs.4,59,254/- & (item no.11) Rs.2,71,172/-.										
	Hence now provided in respect of balance value only.										
***	Depreciation already restricted to 95% in respect of Asset Value of Rs.9,09,15,185/-, Hence now provided in respect of balance value only.										

**DIVYASHAKTI GRANITES LIMITED - HYDERABAD**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Rupees)

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
<b>NOTE: 1.08 LONG-TERM LOANS &amp; ADVANCES</b>		
(a) Security Deposits ( unsecured, considered good)	<b>33,71,460</b>	33,71,460
(b) Advance Tax including Tax deducted at source (Net off provision of Rs. 20,48,48,000/-)	<b>93,97,203</b>	—
<b>TOTAL</b>	<b>1,27,68,663</b>	33,71,460
<b>NOTE: 1.09 INVENTORIES( as valued &amp; certified by Management)</b>		
(a) Raw Materials	<b>6,74,21,870</b>	3,90,10,580
(b) Proportionate freight on closing stock of raw materials	<b>2,44,47,590</b>	1,24,83,386
(c) Work-in-Process	<b>53,76,718</b>	57,11,581
(d) Finished Goods	<b>78,42,187</b>	32,97,630
(e) Stores and Consumables	<b>1,76,97,367</b>	1,38,32,142
<b>TOTAL</b>	<b>12,27,85,732</b>	7,43,35,319
<b>NOTE: 1.10 TRADE RECEIVABLES</b>		
(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	<b>7,40,16,286</b>	1,45,06,782
(b) Other Trade receivables		
(i) Unsecured, considered good	<b>37,00,31,858</b>	26,77,36,140
<b>TOTAL</b>	<b>44,40,48,144</b>	28,22,42,922
<b>NOTE: 1.11 CASH AND CASH EQUIVALENTS</b>		
a) Cash and Cash equivalents:		
- Cash on Hand	<b>2,99,704</b>	4,19,004
Balance with scheduled Banks:		
- in current accounts	<b>5,94,144</b>	32,87,176
- Term Deposit	—	5,35,00,000
- E.E.F.C. Account with SBM	<b>38,31,34,193</b>	46,13,86,041
<b>Sub-Total (a)</b>	<b>38,40,28,041</b>	51,85,92,221
(b) Other Bank Balances:		
- Unclaimed Dividend accounts	<b>14,29,621</b>	11,01,916
- Margin Money Deposit for L.C.	<b>2,58,00,000</b>	1,60,00,000
<b>Sub-Total (b)</b>	<b>2,72,29,621</b>	1,71,01,916
<b>TOTAL( a+b)</b>	<b>41,12,57,662</b>	53,56,94,137

Out the above, cash and cash equivalents which meet the definition of cash flow statement is Rs.38,40,28,041/-  
(Previous year Rs.51,85,92,221/-)

# DIVYASHAKTI GRANITES LIMITED - HYDERABAD

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees)

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
<b>NOTE: 1.12 SHORT-TERM LOANS &amp; ADVANCES</b>		
(Advance Recoverable in cash or in kind or for value to be considered)		
Advances (unsecured, considered good)		
(a) Material suppliers	79,66,331	41,04,611
(b) Staff	2,97,200	3,59,500
(c) Cenvat & Excise duty	19,80,964	5,45,919
(d) Prepaid Expenses	1,99,689	1,99,955
<b>TOTAL</b>	<b>1,04,44,184</b>	<b>52,09,985</b>
<b>NOTE: 1.13 OTHER CURRENT ASSETS</b>		
(a) Accrued Interest on Margin Money	24,62,473	5,56,760
<b>TOTAL</b>	<b>24,62,473</b>	<b>5,56,760</b>

PARTICULARS	For the Year ended 31.03.2017 Rs.	For the Year ended 31.03.2016 Rs.
<b>NOTE: 2-01 REVENUE FROM OPERATIONS</b>		
Sale of Products (Exports)	35,28,79,612	39,68,43,025
Less Sales Returns	—	73,38,545
Net Sale of Products (Exports)	35,28,79,612	38,95,04,480
Sale of Products (DTA sales)	25,91,299	1,52,81,466
Sale of Traded goods (Exports)	72,81,79,503	27,97,43,181
	1,08,36,50,414	68,45,29,127
Less: Excise Duty	2,87,922	17,29,877
<b>TOTAL</b>	<b>1,08,33,62,492</b>	<b>68,27,99,250</b>
<b>NOTE: 2-02 OTHER INCOME</b>		
(a) Other Operational Income		
Interest on Margin Money - Received	2,69,258	41,58,320
- Accrued and due	15,77,513	2,60,846
Interest on Electricity Deposit - Accrued & due	2,97,726	2,95,914
Cenvat credits & Service Tax refund	38,09,326	32,47,698
VAT refund	—	2,02,264
<b>TOTAL (a)</b>	<b>59,53,823</b>	<b>81,65,042</b>
(b) Miscellaneous Income		
Miscellaneous Income	91,281	75,134
Interest on Term Deposits - Received	30,77,363	59,10,230
<b>TOTAL (b)</b>	<b>31,68,644</b>	<b>59,85,364</b>
(c) Net gains/(loss) on foreign currency transactions & translation		
Exchange Variation- on export realisations	—	30,87,362
Exchange Variation- on import	—	5,69,171
Exchange Variation- on currency	—	2,44,05,894
Exchange Variation- on Trade receivables	—	1,20,02,737
Exchange Variation- on current liabilities	—	(14,97,742)
<b>TOTAL (c)</b>	<b>—</b>	<b>3,85,67,422</b>
<b>TOTAL (a+b+c)</b>	<b>91,22,467</b>	<b>5,27,17,828</b>

**DIVYASHAKTI GRANITES LIMITED - HYDERABAD**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Rupees)

PARTICULARS	For the Year ended 31.03.2017	For the Year ended 31.03.2016
<b>NOTE: 2-03 COST OF MATERIAL CONSUMED</b>		
<b>(a) CONSUMPTION OF RAW MATERIAL</b>		
Opening Stock of Raw Blocks	3,90,10,580	3,65,23,860
Add: Purchases during the year	11,00,73,723	14,00,64,726
	<b>14,90,84,303</b>	17,65,88,586
Less: Closing Stock	6,74,21,870	3,90,10,580
<b>Sub Total (a)</b>	<b>8,16,62,433</b>	13,75,78,006
<b>(b) CONSUMPTION OF STORES, SPARES &amp; CONSUMABLES</b>		
Opening Stock	1,38,32,142	1,80,05,955
Add: Purchases during the year	5,25,04,242	3,92,32,525
	<b>6,63,36,384</b>	5,72,38,480
Less: Closing Stock	1,76,97,367	1,38,32,142
Stores, Spares & Consumables consumed Sub Total (b)	<b>4,86,39,017</b>	4,34,06,338
<b>TOTAL (a + b)</b>	<b>13,03,01,450</b>	18,09,84,344
<b>NOTE: 2-04 TRADED GOODS</b>		
Opening Stock	—	—
Add: Purchases during the year	67,03,46,254	23,85,14,944
(Including packing charges)	67,03,46,254	23,85,14,944
Less: Closing Stock	—	—
<b>TOTAL</b>	<b>67,03,46,254</b>	23,85,14,944
<b>NOTE: 2-05 CHANGE IN INVENTORIES</b>		
Closing Stock		
Finished Goods	78,42,187	32,97,630
Work-in-process	53,76,718	57,11,581
<b>Sub Total</b>	<b>1,32,18,905</b>	90,09,211
Opening Stock		
Finished Goods	32,97,630	41,31,694
Work-in-process	57,11,581	77,17,181
<b>Sub Total</b>	<b>90,09,211</b>	1,18,48,875
Net change - Accretion/(Decretion)	<b>42,09,694</b>	(28,39,664)

**DIVYASHAKTI GRANITES LIMITED - HYDERABAD****NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Rupees)

PARTICULARS	For the Year ended 31.03.2017	For the Year ended 31.03.2016
<b>NOTE: 2-06 MANUFACTURING EXPENSES</b>		
Power & Fuel	1,96,94,724	2,40,53,796
Transport and Freight - Inward (On raw blocks consumed)	2,94,72,024	4,20,98,359
Maintenance:		
Factory Buildings	25,87,161	34,02,597
Plant & Machinery	55,35,544	37,97,921
Generators	39,888	1,910
<b>Sub Total (a)</b>	<b>5,73,29,341</b>	<b>7,33,54,583</b>
Packing Material	—	—
Opening Balance	61,05,583	81,58,513
Add: Purchases during the year	61,05,583	81,58,513
Less: Closing Stock	—	—
<b>Sub Total (b)</b>	<b>61,05,583</b>	<b>81,58,513</b>
<b>TOTAL(a+b)</b>	<b>6,34,34,924</b>	<b>8,15,13,096</b>
<b>NOTE: 2-07 EMPLOYEES' BENEFIT EXPENSES</b>		
(a) Salaries & Wages	1,83,85,953	1,74,87,742
(b) Contribution to Provident Fund	4,15,796	2,75,749
(c) ESI Contribution	3,36,062	3,03,921
(d) Provision for Gratuity	2,27,179	3,41,015
(e) Workmen and Staff Welfare	15,32,125	17,54,732
(f) Directors Remuneration	43,27,276	44,53,289
<b>TOTAL</b>	<b>2,52,24,391</b>	<b>2,46,16,448</b>
<b>NOTE: 2-08 FINANCE COST</b>		
(a) Bank Charges	16,82,999	5,23,165
<b>TOTAL</b>	<b>16,82,999</b>	<b>5,23,165</b>

**DIVYASHAKTI GRANITES LIMITED - HYDERABAD****NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Rupees)

PARTICULARS	For the Year ended 31.03.2017	For the Year ended 31.03.2016
<b>NOTE: 2-09 OTHER EXPENSES</b>		
Rates and Taxes	2,17,570	1,49,316
Service Tax	26,79,783	31,14,967
<b>Travelling Expenses :</b>		
Inland	12,16,824	12,70,560
Foreign	20,84,067	19,01,135
Insurance	5,72,324	5,76,687
Printing and Stationery	3,05,772	1,43,638
Postage, Telephones, Fax & Telex	4,89,757	5,69,536
Advertisement Charges	1,07,632	2,00,124
Professional charges	25,000	75,000
Business Promotion Expenses	53,820	1,37,164
Transport & Freight - Outward	2,73,18,487	2,75,77,822
Maintenance:		
Office	6,01,929	9,98,928
Vehicles	4,83,638	2,43,152
C.S.R. Expenses	16,54,936	20,65,879
Auditors Remuneration :		
Statutory Audit	3,25,000	3,25,000
Tax Audit	75,000	75,000
Other Services	—	1,00,000
Secretarial Audit Fees	1,25,000	1,25,000
Other Misc. Expenses	37,50,173	24,08,577
<b>TOTAL</b>	<b>4,20,86,712</b>	<b>4,20,57,485</b>



**DIVYASHAKTI GRANITES LIMITED - HYDERABAD****NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Rupees)

PARTICULARS	For the Year ended 31.03.2017	For the Year ended 31.03.2016
<b>NOTE: 2-10 NET (GAINS)/LOSS ON FOREIGN CURRENCY TRANSACTIONNS &amp; TRANSLATION</b>		
Exchange Variation- on export realisations	28,96,084	(11,30,006)
Exchange Variation- on import	21,42,044	4,16,330
Exchange Variation- on currency	40,97,796	1,09,05,732
Exchange Variation- on Trade receivables	(23,07,067)	95,42,002
Exchange Variation- on current liabilities	(3,40,676)	(14,99,479)
<b>TOTAL</b>	<b>64,88,181</b>	<b>1,82,34,579</b>

**NOTE: 2-11 EXCEPTIONAL ITEMS**

- i) Trade payables relating to the purchases made /services received during the earlier years, no longer payable amounting to Rs.10,11,023/- written back to the statement of profit and loss.

**NOTE: 2-12 EARNININGS PER SHARE****Basic****Total operations**

Net profit / (loss) for the period attributable to the equity shareholders	9,57,09,336	10,13,66,341
Weighted average number of equity shares	1,02,68,870	1,02,68,870
Par value per share	10	10
Earnings per share - Basic	9.32	9.87

**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	9,57,09,336	10,13,66,341
Weighted average number of equity shares for Basic EPS	1,02,68,870	1,02,68,870
Weighted average number of equity shares - for diluted EPS	1,02,68,870	1,02,68,870
Par value per share	10	10
Earnings per share - Diluted	9.32	9.87

**DIVYASHAKTI GRANITES LIMITED - HYDERABAD**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Rupees)

PARTICULARS	For the Year ended 31.03.2017	For the Year ended 31.03.2016
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**2.13 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.4.16 lakhs (Year ended 31 March, 2017 Rs. 2.76 lakhs ) for Provident Fund contributions and Rs.3.36 lakhs (Year ended 31 March, 2017 Rs. 3.04 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	31.03.2017 Rs.	31.03.2016 Rs.
<b>Components of employer expense</b>		
Current service cost	68,088	51,462
Interest cost	1,50,382	1,30,134
Expected return on plan assets	-	-
Curtailment cost / (credit)	-	-
Settlement cost / (credit)	-	-
Past service cost	-	-
Actuarial losses/(gains)	8,709	1,59,419
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>2,27,179</b>	<b>3,41,015</b>
<b>Actual contribution and benefit payments for year</b>		
Actual benefit payments	-	-
Actual contributions	-	-
<b>Net asset / (liability) recognised in the Balance Sheet</b>		
Opening Net Liability	20,15,845	16,74,830
Fair value of plan assets	-	-
Expenses as above	2,27,179	3,41,015
Settlements made	-	-
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>22,43,024</b>	<b>20,15,845</b>
<b>Change in defined benefit obligations (DBO) during the year</b>		
Present value of DBO at beginning of the year	20,15,845	16,74,830
Current service cost	68,088	51,462
Interest cost	1,50,382	1,30,134
Curtailment cost / (credit)	-	-
Settlement cost / (credit)	-	-
Plan amendments	-	-
Acquisitions	-	-
Actuarial (gains) / losses	8,709	1,59,419
Past service cost	-	-
Benefits paid	-	-
	<b>22,43,024</b>	<b>20,15,845</b>

## DIVYASHAKTI GRANITES LIMITED - HYDERABAD

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rupees)

Note	PARTICULARS	For the Year ended 31.03.2017	For the Year ended 31.03.2016
<b>2.13 Change in fair value of assets during the year *</b>			
Plan assets at beginning of the year	—	—	—
Expected return on plan assets	—	—	—
Actual company contributions	—	—	—
Actuarial gain / (loss)	—	—	—
Benefits paid	—	—	—
<b>Actuarial assumptions</b>			
Discount rate	6.69%	7.46%	
Expected return on plan assets *			
Salary escalation	5.00%	5.00%	
Attrition	12.00%	12.00%	
Mortality tables	IALM(2006-08)	IALM(2006-08)	
Expected average remaining service	5.36%	5.29%	
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			
<b>Experience adjustments</b>			
Present value at the end period	22,43,024	16,74,830	
Funded status	(22,43,024)	(20,15,845)	
Experience gain / (loss) adjustments on plan liabilities	—	—	
Experience gain / (loss) adjustments on plan assets	—	—	

### 3.01 Contingent Liabilities

Rs. in lakhs.

Sl. No.	Particulars	2016-17	2014-15
i	Foreign Letters of Credit opened in favour of Suppliers for which goods are yet to be received.	63.87	91.74
ii	Guarantees given by Bank (BG)	—	—

- 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 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



## DIVYASHAKTI GRANITES LIMITED - HYDERABAD

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**3.09** The details of Specified Bank Notes (SBN) held and transacted during the period from 08.11.2016 to 30.12.2016 as follows:

Particulars	SBNs	Other denomination notes	Total Rs.
Closing Cash in hand as on 08.11.2016	12,50,000	37,156	12,87,156
(+) Permitted receipts	Nil	Nil	Nil
(+) Permitted receipts (cash withdrawals)		7,42,000	7,42,000
(-) Permitted payments		4,53,726	4,53,726
(-) Amount Deposited in Banks	12,50,000		12,50,000
Closing Cash in hand as on 30.12.2016			3,25,430

### 3.10 Expenditure in Foreign Currency :

	2016-17 Rs.	2015-16 Rs.
i) Foreign Travelling & Commissions	20,84,067	19,01,135
ii) CIF Values of Imports :		
Raw Material	Nil	2,42,04,654
Finished Slabs	49,01,45,124	Nil
Capital Goods	Nil	Nil
Consumables & Spares	4,98,519	3,57,93,051
iii) Earnings in Foreign Currency :	1,08,10,59,115	66,92,47,661

### 3.11 Consumption of Materials:

	2016-17 Value Rs.	%	2015-16 Value Rs.	%
a) Raw Material & Slabs				
i) Imports -Raw Blocks	Nil	Nil	2,77,90,920	7.39
- Finished slabs	49,01,45,124	65.18	Nil	Nil
ii) Indigenous-Raw Blocks	8,16,62,433	10.86	10,97,87,087	29.19
- Finished Slabs	18,02,01,130	23.96	23,85,14,944	63.42
b) Consumables & Spares				
i) Import	4,59,15,768	94.40	3,99,33,418	92.00
ii) Indigenous	27,23,249	5.60	34,72,919	8.00

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

	2016-17 (Sq.Mts.)	2015-16 (Sq.Mts.)
i) Production	90206	123229
ii) Sales - From Factory	88043	123859
- Direct Dispatches (Bought out)	150695	66870
iii) Closing Stocks	6761	4598
<b>(b) COSUMPTION</b>	<b>2016-17</b>	<b>2015-16</b>
	Quantity Value (Rs.)	Quantity Value (Rs.)
i) Granite Raw Blocks	2318 Cu.Mt 8,16,62,433	5312 Cu.Mt. 13,75,78,006
ii) Finished Slabs & Tiles	150696 Sq.Mt 67,03,46,254	42311 Sq.mt. 23,85,14,944
iii) Others	— 4,86,39,017	— 4,34,06,338

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**DIVYASHAKTI GRANITES LIMITED - HYDERABAD**

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

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

3.15. Schedules 1.01 to 1.13, 2.01 to 2.11 and 3.01 to 3.15 form part of Balance Sheet and Statement of Profit and Loss and have been authenticated.

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For and on Behalf of the Board

**ANNE ANURADHA**

Addl. Director & Chief Financial

**N.HARI HARA PRASAD**

Managing Director

**For RAMBABU & Co.,**

Chartered Accountants

Firm Reg. No. 002976S

**T.H.SASTRY**

Director

**RAVI RAMBABU**

Partner

MembershipNo. 18541

**T.V.CHOWDARY**

Director

Place : Hyderabad.

Date : 27.05.2017

## **DIVYASHAKTI GRANITES LIMITED - HYDERABAD**

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### **Balance Sheet Abstract and Company's General Business Profile**

#### **I. Registration Details**

Registration No. : 01-12764 State Code : 01  
Balance Sheet : 31 - 03 - 2017  
Date Month Year

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

Public Issue	Rights Issue	Business Issue	Private Issue
- Nil -	- Nil -	- Nil -	- Nil -

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

Total Liabilities	Total Assets
1083366	1083366

##### **Sources of Funds**

Paid-Up Capital	Reserves & Surplus
102689	831927
Non Current liabilities	Current liabilities/ Others
8144	140606

##### **Application of Funds**

Net Fixed Assets	Investments/Loans
79599	12769
Net Current Assets	Miscellaneous Expenditure
990998	—
Accumulated Losses	
—	

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

Turnover	Total Expenditure +/-	+/- Profit/loss Before Exceptional Items	+/- Profit/Loss Before Tax	+/- Profit/Loss After Tax
1092485	946621	+ 145864	+ 146875	+ 95709
Earning Per Share	Dividend rate %			
Rs.9.32	15%			

#### **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 : 27th May, 2017.

**N.HARI HARA PRASAD**  
Managing Director.

## **DIVYASHAKTI GRANITES LIMITED**

(CIN: L99999TG1991PLC012764)

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

### **BALLOT FORM**

The members who are not able to attend the Annual General Meeting can send their assent or dissent in writing in respect of the resolutions as set out in the notice by sending the duly filled and signed Ballot Form to the Scrutinizer Mr. Puttaparthi Jagannatham, Advocate, at Flat No.315, Bhanu Enclave, Adj.ESI Hospital, Erragadda, Hyderabad-500045 so as to reach him on or before 5.00 PM on 24<sup>th</sup> September, 2017.

Sl.No.	Particulars	Details
1.	Name of the first named Shareholder ( in Block Letters)	
2	Postal Address	
3.	Folio No/ DP ID & Client ID No.	
4.	Number of Shares held	

I/We hereby exercise my/our vote in respect of Ordinary/Special Resolution enumerated below by recording my/our assent or dissent to the said resolution by placing tick ( ) mark at the appropriate box below:

Item	Resolutions	For (Assent)	Against (Dissent)
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 Smt Anuradha Anne as Director		
6.	Service of Documents through electronic Mode to the Shareholders as per Section 20 of the Companies Act, 2013		
7.	Approval for authorising Board of Directors for borrowing powers as per Section 180(1) (c) of Companies Act, 2013		
8.	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		
9.	Approval for Authorisation to enter into contracts with related parties		

Place:

Date :

(Signature of the Shareholder)



**DIVYASHAKTI GRANITES LIMITED - HYDERABAD**

**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.	
-----------	--

Client ID*	
------------	--

No. of Shares	
---------------	--

\* Applicable for investors holding shares in electronic form

I here by record my presence at the 26th Annual General Meeting of the company held on Friday, 25th day of September, 2017 at 11.00 A.M at the Institution of Engineers, Khairatabad, Hyderabad - 500004.

Name and Address of Member

--

Signature of Shareholder / proxy / Representative

# 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-16
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		
	Address		
	E- Mail ID	Signature	
	of failing him		
2	Name		
	Address		
	E- Mail ID	Signature	
	of failing him		
	of failing him		

as my / our proxy to attend and vote (on a poll) for me/ us and on my / our behalf at the 26th Annual General meeting of the Company, to be held on 25th day of September, 2017 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:

S.No.	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 Smt Anuradha Anne as Director		
6.	Service of Documents through electronic Mode to the Shareholders as per Section 20 of the Companies Act, 2013		
7.	Approval for authorising Board of Directors for borrowing powers as per Section 180(1) (c) of Companies Act, 2013		
8.	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		
9.	Approval for Authorisation to enter into contracts with related parties		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

Signature of Shareholder.....

Signature of Proxy holder(s).....

Affix  
Revenue  
Stamp

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.

# Printed Matter Book - Post



If undelivered, please return to:



[Divyashakti]

## **DIVYASHAKTI GRANITES LIMITED**

Flat No.: 1-301 to 304, 3rd Floor, 7-1-58, Divyashakti Complex,  
Ameerpet, Hyderabad - 500 628. Telangana State, India.

T : +91 40 2373 0240 / 1701 | F : +91 40 2373 0013

E : [info@divyashakti.com](mailto:info@divyashakti.com) | [www.divyashakti.com](http://www.divyashakti.com)