

26th Annual Report 2007-2008

**NIDHI GRANITES
LIMITED**

Registered Office :

505, Sharda Chambers

15, New Marine Lines

Mumbai 400 020

BOARD OF DIRECTORS

Mr. Rajkumar Thard, Chairman & Mg. Director
Mr. Anil Saraf
Mrs. Pushpa R. Thard
Mr. Dattaprasad Kulkarni
Mr. Virendra Pandya
Mrs. Ophelia Rodrigues

REGISTERED OFFICE

505, Sharda Chambers
15, New Marine Lines
Mumbai-400 020

CORPORATE OFFICE

9, Shopping Center,
Station Road,
Santacruz (West)
Mumbai 400 054

BANKERS

Citi Bank

AUDITORS

M/s. K. N. Gandhi & Co.
Chartered Accountants
11-A, Gulmohar, 1st Floor
S.V.Road, Khar (West)
Mumbai 400 052

REGISTRAR & TRANSFER AGENTS

M/s. Mondkar Computers Pvt.Ltd.
Registrar & Transfer Agents.
21, Shakti Niwas, Opp. Satya Saibaba Temple,
Mahakali Caves Road, Andheri (East)
Mumbai 400 093.

NOTICE

Notice is hereby given that the 26th Annual General Meeting of the Members of Nidhi Granites Limited will be held at the Corporate Office of the Company at 9, Shopping Center, Station Road, Santacruz (West), Mumbai 400 054 on Monday, the 29th September, 2008 at 11.00 a.m. to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008, the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Directors in place of Mrs. Pushpa R. Thard who retires by rotation and being eligible offer herself for reappointment.
3. To appoint a Directors in place of Mr. Dattaprasad Kulkarni who retires by rotation and being eligible offer himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
2. **THE INSTRUMENT APPOINTING A PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
3. The Register of Members and Share Transfer Books will remain closed from Monday, the 22nd September, 2008 to Monday, the 29th September, 2008 (both days inclusive).
4. Members are requested to bring their copies of the Annual Report at the Annual General Meeting.
5. Members are requested to notify immediately any change in their address to the Registered Office of the Company.

By Order of the Board of Directors

Sd/-
(RAJKUMAR THARD)
Chairman & Managing Director

Place: Mumbai
Date: 31st July 2008

Registered Office:
505, Sharda Chambers,
15, Marine Lines
Mumbai 400 020.

DIRECTORS' REPORT

Your Directors have pleasure in presenting their 26th Annual Report together with the Audited Accounts for the year ended on 31st March 2008

FINANCIAL HIGHLIGHTS

The Financial results for the year ended 31st March, 2008 are as summarised below :

	Current Year (Rs.in '000)	Previous Year (Rs.in '000)
Sales (Share Trading)	<u>23332</u>	<u>9713</u>
Gross Profit/(Loss)	706	385
Depreciation	216	44
Deferred Tax	101	29
Profit/(Loss) after tax	343	305
<u>Add</u> : Balance in Profit & Loss A/c.	4360	4054
Surplus available for appropriation	4360	4054
Balance carried to Balance Sheet	4360	4054

DIVIDEND

With a view to conserve the resources, your Directors do not recommend any dividend for the year under review.

BUSINESS

Due to favourable stock market condition, your Company has performed well during the year under review. The mining division in Andhra Pradesh has yet not resumed its operation as the Forest Department is yet to withdraw its notice.

The company has made an investment in Tripura Industries Pvt. Ltd, Nepal for 49,000 Equity shares amounting to Rs. 30,62,500/- and in this connection the company entered into a Joint Venture agreement on 23rd November, 2007. The company is engaged in packaging and marketing of Tea.

FIXED DEPOSITS:

The Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956.

DIRECTORS

Mrs.Pushpa R. Thard, and Mr. Dattaprasad Kulkarni, Directors, retire by rotation and being eligible for re-appointment offer themselves for the same.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the requirements of Section 217(2AA) of the Companies Act, 1956, the Board of Directors confirm:

1. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
2. That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period
3. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the directors had prepared the annual accounts on a going concern basis.

COMPLIANCE CERTIFICATE

A Compliance Certificate from a Secretary in Whole-time Practice under Section 383A of the Companies Act 1956, in respect of the financial year ended 31st March, 2008 is attached hereto.

LISTING FEE PAYMENT

The Company's securities are listed at the Bombay Stock Exchange Limited and the Company has paid Annual Listing fees for the financial year 2007-09.

PARTICULARS OF EMPLOYEES

There were no employees drawing remuneration in excess of the limit prescribed under Section 217 (2A) of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION ETC.

During the year under review, the operation of the mining division is completely closed and hence no particulars are given under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988. There is no foreign exchange earned or outgo during the year.

AUDITORS:

M/s. K.N. Gandhi & Co., Chartered Accountants, retire as statutory Auditors of the Company at the conclusion of the Annual General Meeting and being eligible offer themselves for re-appointment.

ACKNOWLEDGEMENT:

Your Directors acknowledge the contribution made by the Company's personnel at all levels.

By Order of the Board of Directors

Sd/-

(RAJKUMAR THARD)

Chairman & Managing Director

Place: Mumbai

Date: 31st July 2008

Registered Office:

505, Sharda Chambers,

15, Marine Lines

Mumbai 400 020

Compliance Certificate

To,
The Members,
NIDHI GRANITES LIMITED.
(Corporate Identity No. – L51900MH1981PTC025677)
505, Sharda Chambers,
15, New Marine Lines,
Mumbai – 400 020.

We have examined the registers, records, books and papers of Nidhi Granites Limited ("the Company") as required to be maintained under the Companies Act, 1956. ("the Act") and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2008. In our opinion and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, and to the best of our knowledge and belief, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained the registers as stated in **Annexure 'A'** to this certificate, as per the provisions of the Act and the rules made there under and entries therein have been recorded.
2. The Company has filed the forms and returns as stated in **Annexure 'B'** to this certificate with the Registrar of Companies, Maharashtra, Mumbai, Regional Director, Central Government, Company Law Board or other authorities under the Act and the rules made there under.
3. The Company being a public limited company, comments that a private limited company has maximum number of members, invitation to public to subscribe for shares and acceptance of deposits from persons other than its members, directors or their relatives, are not required.
4. The Board of Directors met Five (5) times respectively on 27th April, 2007, 31st July, 2007, 31st October, 2007, 24th December, 2007 and 31st January, 2008 and the proceedings were recorded and signed in the Minutes Book maintained in loose leaf form for the purpose. The Company has not passed any resolution by circulation.
5. The Company has closed its Register of Members from 22nd September, 2008 to 29th September, 2008 and necessary compliance of section 154 of the Act has not been made as regards to advertisement in newspapers.
6. The Annual General Meeting for the financial year ended on 31st March, 2007 was held on 28th September, 2007 and the resolutions passed thereat were recorded in the Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act during the financial year.

9. The Company has not entered into any contract falling within the purview of Section 297 of the Act.
10. No entries have been made in the register maintained under Section 301 of the Act.
11. There were no instances falling within the purview of Section 314 of the Act, during the financial year.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company
 - (i) has delivered all the certificates on lodgment thereof for transfer in accordance with the provisions of the Act. There was no allotment/transmission of securities during the financial year.
 - (ii) was not required to deposit any amount in a separate Bank Account as no dividend was declared during the financial year.
 - (iii) was not required to post warrants to any members of the Company as no dividend was declared during the financial year.
 - (iv) was not required to transfer any amount to Investor Education and Protection Fund, since there was no amount, on account of unpaid dividend, application money due for refund, matured deposits; matured debentures and the interest accrued thereon, lying with the Company, and which was required to be transferred to the said fund.
 - (v) has complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year
15. The Company has not appointed any Managing Director/Whole-time Director/Manager during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year.
17. As per the information provided by the officer of the Company, the Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under, wherever necessary.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.

21. The Company has not issued any redeemable preference shares/debentures and hence the question of redemption does not arise.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Companies Act, 1956, during the financial year.
24. The Company has not made any borrowings during the financial year.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate during the financial year and consequently no entries have been made in the Register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company, during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted its own Provident fund for its employees and therefore the provisions of Section 418 of the Act are not applicable to the Company.

**For SHAH DHOLAKIA & ASSOCIATES
(Company Secretaries)**

Sd/-
(CS B. V. Dholakia)
Partner
C.P.No.507

Place: Mumbai
Date: 29th July, 2008

AUDITOR'S REPORT

We have audited the attached Balance Sheet of NIDHI GRANITES LIMITED as at 31st March, 2008 and also the Profit & Loss Account for the year ended on that date annexed there to, and cash flow statement for the period ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we state that :-
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of such books.
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account.
 - d. The Balance sheet, Profit and Loss Account and Cash Flow Statement referred to in this report are in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 subject to note No.1(f)(ii).
 - e. On the basis of written representation received from the Directors as at 31st March, 2007 and taken on record by the Board of Directors, we report that none of the Directors is disqualified from being appointed as a Director in terms of Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

f. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

i. In so far as it relates to the Balance Sheet of the State of affairs of the Company as at 31st March 2008.

ii. In so far as it relates to the Profit & Loss Account of the Profit for the year ended on that date.

And

iii. In so far as it relates to the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

For K. N. GANDHI & CO.
CHARTERED ACCOUNTANTS

Sd/-

(K.N. GANDHI)
PROPRIETOR

Place : Mumbai
Date : 31/07/2008

ANNEXURERE : NIDHI GRANITES LIMITED

Referred to in paragraph 3 of our report of even date

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular program of verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification
- (c) The Company has not disposed off substantial part of fixed assets during the year.
- (ii) (a) The Inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. During the year the company has written off stocks of Granites worth Rs. 16,16,527/- due to obsolescence. The stock were non moving for the last seven years.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted / taken loans secured or unsecured to/from company, firms or other parties covered in the register, maintained under section 301 of companies Act.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. There is no major weakness in internal control.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956, have been so entered.
- (b) In our opinion and according to the information and explanations given to us, there are no transactions that need to be entered in the register maintained u/s.301 of the Company's Act,1956 and exceeding the value of Rs.5,00,000/- in respect of any party during the year.

- (vi) The Company has not accepted deposit from public during the year.
- (vii) In our opinion the internal audit system of the Company is commensurate with its size and nature of its business.
- (viii) We are informed that no cost records are prescribed by the Central Government under section 209(i)(d) of the Companies Act, 1956 for the Company's business.
- (ix) The Company has no undisputed or disputed statutory dues including Income-tax, Sales-tax, Wealth-tax, Custom Duty, Excise Duty, Cess Tax, etc. The Company does not have a Provident Fund and ESIC Scheme for its employees.
- (x) In our opinion, there are no accumulated losses. The Company has not incurred cash losses during the financial year and in the financial year immediately preceding year the company has incurred cash losses.
- (xi) The company has taken loans from bank and it has not defaulted in repayment of its loan installments.
- (xii) In our opinion and according to the information and explanations given to us the Company has no dues against financial institutions, banks or debenture holders.
- (xiii) In our opinion and according to the information and explanations, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiv) In our opinion the Company is not a chit fund or a Nidhi mutual benefit fund/society. Therefore the provisions of clause 4(xiv) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
- (xv) The Company is dealing or trading in shares, securities and other investments. Proper records have been maintained of the transactions and contracts. The shares, securities have been held by the Company in its own name.
- (xvi) In our opinion and according to the explanations given to us, the Company has not given any guarantees for loans taken by others from bank or financial institutions.
- (xvii) The Company has not raised term loans during the year.

- (xviii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis has been used for long term investment.
- (xix) In our opinion and according to the information and explanations given to us the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xx) The Company has not issued any debentures during the period covered by the audit.
- (xxi) The Company has not raised any money by way of public issue during the period covered by the audit.
- (xxii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For K. N. GANDHI & Co.
CHARTERED ACCOUNTANTS

Sd/-

(K.N. GANDHI)
PROPRIETOR

Place : Mumbai
Date : 31/07/2008

BALANCE SHEET AS AT 31st MARCH, 2008

<u>SOURCES OF FUNDS</u>	Schedules	Rupees	March,2007 Rupees
Shareholders' Funds			
Share Capital	A	7497700	7497700
Reserves and Surplus	B	14702377	14359555
Secured Loans	C	1066920	-
Deferred Tax	D	89450	-
Total		<u>23356447</u>	<u>21857255</u>
<u>APPLICATION OF FUNDS</u>			
Fixed Assets			
Gross Block	E	2999208	1541989
Less : Depreciation		<u>683171</u>	<u>852752</u>
		2316037	689237
Investments	F	6391349	3438702
Current Assets, Loans & Advances	G	14683475	17854884
Less : Current Liabilities & Provisions	H	<u>34414</u>	<u>137050</u>
Net Current Assets		14649061	17717834
Deferred Tax	D	-	11482
Total		<u>23356447</u>	<u>21857255</u>
Notes on Accounts	L		
Schedules 'A' to 'L' forming part of the Accounts			
As per our report of even date.			

For K. N. GANDHI & CO.
Chartered Accountants

Sd/-
K.N.GANDHI
(Proprietor)

Place : Mumbai
Date : 31.07.2008

Rajkumar Thard
(Chairman &
Managing Director)

Directors
Anil Saraf

Pushpa Thard

D.N. Kulkarni

Virendra Pandya

Ophelia Rodrigues

Sd/-

Sd/-

Sd/-

Sd/-

Sd/-

Sd/-

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2008

	Schedules	Rupees	March 2007 Rupees
<u>INCOME</u>			
Sales (Share Trading)		23331512	9712549
Other Income	I	1078992	2349409
Increase/(Decrease) in Stock	J	(1445211)	1589991
		<u>22965293</u>	<u>13651949</u>
<u>EXPENDITURE</u>			
Purchases (Share Trading)		16861631	12363066
Auditors Remuneration		11236	11236
Administration & Other Exp.	K	5386418	892645
		<u>22259285</u>	<u>13266947</u>
PROFIT/(LOSS) BEFORE DEPRECIATION		706008	385002
Less : Depreciation		<u>216046</u>	<u>43720</u>
PROFIT/(LOSS) BEFORE TAXATION		489962	341282
Less : Fringe Benefit Tax		<u>34954</u>	<u>6997</u>
		<u>455008</u>	<u>334285</u>
Less : Provision for Taxation		-	-
		<u>455008</u>	<u>334285</u>
Less : Short provisions for Income Tax earlier Year W/off		<u>11,254</u>	-
		<u>443754</u>	<u>334285</u>
Less : Deferred Tax		<u>1,00,932</u>	<u>28,552</u>
		<u>342822</u>	<u>305733</u>
Add : Profit brought forward from previous year		<u>4359555</u>	<u>4053822</u>
PROFIT AVAILABLE FOR APPROPRIATION		4702377	4359555
Balance carried forward		<u>4702377</u>	<u>4359555</u>
Earnings per share		0.46	0.41

Notes on Accounts
Schedules A to L annexed hereto forming part of the accounts.
As per our report of even date.

For K. N. GANDHI & CO.
Chartered Accountants

Sd/-
K.N.GANDHI
(Proprietor)

Place : Mumbai
Date : 31/07/2008

Rajkumar Thard Sd/-
(Chairman &
Managing Director)

Directors
Anil Saraf Sd/-

Pushpa Thard Sd/-

D.N. Kulkarni Sd/-

Virendra Pandya Sd/-

Ophelia Rodrigues Sd/-

Schedules forming part of the Balance Sheet as at 31st March 2008

Schedule 'A'	Rupees	March, 2007 Rupees
SHARE CAPITAL		
Authorised Capital		
1000000 Equity Shares of Rs.10/- each.	<u>1000000</u>	<u>1000000</u>
Issued, Subscribed and Paid-up		
750000 Equity Shares of Rs.10/- each fully paid up.	750000	750000
Less : Calls in Arrears (Other than Directors)	2300	2300
	<u>7497700</u>	<u>7497700</u>
 Schedule 'B'		
RESERVES AND SURPLUS		
General Reserve	10000000	10000000
Surplus in Profit & Loss A/c.	4702377	4359555
	<u>14702377</u>	<u>14359555</u>
 Schedule 'C'		
Secured Loans		
ICICI Bank against Hypothecation of Car	1066920	-
	<u>1066920</u>	<u>0</u>
 Schedule 'D'		
DEFERRED TAX		
(a) Deferred Tax Liability on account of depreciation	1,00,932	28,552
(b) Deferred Tax Assets brought forward	11,482	40034
Net Deferred Tax Assets	<u>89450</u>	<u>11482</u>

Schedule 'E'
FIXED ASSETS

Description	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 01.04.07	Additions during the Year	Sales during the Year	As at 31.03.08	Upto 31.03.07	For the Year	Dedu- ction	Upto 31.03.08	As at 31.03.08	As at 31.03.07
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land	422000	-	-	422000	-	-	-	0	422000	422000
Building	23100	-	-	23100	8019	377	-	8396	14704	15081
Electric Installations	37248	-	-	37248	27243	2232	-	29475	7773	10005
Data Processing Machine	97,450	-	-	97450	21,804	14,186	-	35990	61460	75646
Air Conditioners	0	-	-	0	0	0	-	0	-	-
Furniture and Fixtures	205358	-	-	205358	185381	5343	-	190724	14634	19977
Office Equipment	358180	-	-	358180	220454	16726	-	237180	121000	137726
Vehicles	0	18,42,846	-	1842846	-	175070	-	175070	1667776	-
Water Purifier	6,890	-	-	6890	2234	1117	-	3351	3539	4,656
EPABX System	6,136	-	-	6136	1990	995	-	2985	3151	4,146
Total	1156362	1842846	-	2999208	467125	216046	-	683171	2316037	689237
Previous Year	1480689	61,300	-	1541989	809032	43720	-	852752	689237	

Schedules forming part of the Balance Sheet as at 31st March 2008

	Rupees	March, 2007 Rupees
Schedule 'F'		
INVESTMENT (AT COST)		
(A) In Government Securities (Unquoted)		
6 Years National Savings Certificate (Deposited with Government Department)	36000	36000
Deposited with Post office Saving A/c.	500	500
(B) In Equity Shares of Rs.10/- each fully paid-up (Quoted)		
250 (250) Crescent Finstock Ltd.	-	-
200 (200) Garware Plastic & Polyester Ltd.	99875	99875
- (1070) Hindalco Ltd. (Equity shares of Re.1/- each)	-	215865
- (4500) Industrial Finance Corpn.of India Ltd.	-	336490
750 (750) INDAL Ltd	-	-
(C) In Equity Shares of Rs.10/- each fully paid-up (Unquoted)		
5000 (5000) LWS Knitwear Ltd.	143950	143950
1000 (1000) Karnataka Ball Bearing Ltd.	14000	14000
2600 (2600) U.B. Petro Ltd.	40215	40215
2600 (2600) Sachs India Ltd.	268605	268605
49000 (-) Tripura Industries (Nepal) Pvt. Ltd.	3062500	-
(D) In Preference Shares of Rs.10/- each fully paid-up (Unquoted)		
100 (100) Mukund India Ltd.	31592	31592

Schedules forming part of the Balance Sheet as at 31st March 2008

		Rupees	March,2007 Rupees
		<u> </u>	<u> </u>
(E)	Mutual Fund		
52469.774	(39573.794) HSBC Equity Dividend Reinvestment	1215083	819345
10993.555	(9352.873) HDFC Prudence Fund - Dividend	253529	206765
8071.000	(8071.000) HDFC Equity Fund - Dividend	200000	200000
14286.000	(14286.000) Prudence ICICI Disc. - Dividend	200000	200000
48899.756	(48899.756) Prudential ICICI Service India Fund - Dividend	500000	500000
5000.000	(5000.000) Kotak Lifestyle Mutual Fund	50000	50000
(F)	Others		
18	(18) Membership rights in Dalmia Resorts International Pvt.ltd.	275500	275500
	Aggregate value of Investments	<u>6391349</u>	<u>3438702</u>
	Market value of quoted Investments	2977087	3016541
	Aggregate Value of unquoted Investments & Others	3832647	810362

Schedules forming part of the Balance Sheet as at 31st March 2008

Schedule 'G'		Rupees	March, 2007 Rupees
CURRENT ASSETS, LOANS & ADVANCES			
Current Assets :			
Inventory (As taken, valued and certified by the Management)		10122850	11568060
	Total (a)	<u>10122850</u>	<u>11568060</u>
Sundry Debtors (Unsecured) :			
<u>For a period exceeding six months:</u>			
Considered Doubtful		-	-
	Total (b)	<u>0</u>	<u>0</u>
Cash and Bank Balances :			
Cash on hand		272981	79004
<u>Balance with Scheduled Banks :</u>			
Fixed Deposit		5000	5000
In Current Accounts		625574	252012
	Total (c)	<u>903555</u>	<u>336016</u>
Loans and Advances : (Unsecured, considered good)			
Loans		600000	600000
Tax Deducted at Source		0	32,762
Advances recoverable in cash or in kind or for value to be received - considered good		3057070	5318046
	Total (d)	<u>3657070</u>	<u>5950808</u>
	Total (a+b+c+d)	<u>14683475</u>	<u>17854884</u>
Schedule 'H'			
CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities :			
Other Liabilities		34414	27050
	Total (a)	<u>34414</u>	<u>27050</u>
Provisions :			
Provision for Taxation		-	110000
	Total (b)	<u>0</u>	<u>110000</u>
	Total (a+b)	<u>34414</u>	<u>137050</u>

Schedules forming part of the Profit & Loss Account for year ended 31st March 2008

Schedule 'I'	Rupees	March, 2007 Rupee
OTHER INCOME		
Interest	1,34,242	-
Dividend TDS Nil previous .Rs.32762/-	802405	551377
Profit on sale of Investment	135490	15,59,727
Speculation profit on share Trading	6,855	98,950
Profit on derevative trading	-	94,223
Miscellaneous Income	-	45132
Total	<u>1078992</u>	<u>2349409</u>

Schedule 'J'		
INCREASE (DECREASE) IN STOCK		
Closing Stock	10122850	11568060
Less : Opening Stock	11568061	9978069
Total	<u>(1445211)</u>	<u>1589991</u>

Schedule 'K'		
ADMINISTRATION AND OTHER EXPENSES		
Payments to and provisions for Employees	215446	118659
Interest Paid	93298	-
Motor Car Expenses	28,453	-
Repairs and Maintenance	85329	22565
Custodian Charges	8,984	8,980
Rates and Taxes	30894	27964
Security Transaction Tax	80052	31034
Telephone expenses	119080	88293
Professional charges	84271	36448
Conveyance	19053	8600
Printing and Stationery	10706	11418
Electricity Expenses	80970	73580
Computer Expenses	19,639	15,684
Advertisement	8298	8182
Listing fees	10000	10000
Internet Charges	0	4,398
Loss /(Profit) on Derevative Trading	27,07,548	-
Share Transfer Charges	28,047	22,492
Bad & doubtful debts	17,41,380	3,97,581
Miscellaneous expenditure	14970	6751
Total	<u>5386418</u>	<u>892641</u>

Schedule 'L'**I. Accounting Policies :**

- (a) The Company follows the mercantile system of accounting both as to Income and Expenditure except those with significant uncertainties.
- (b) Investments are accounted on actual cost basis.
- (c) Inventories are valued at cost or market price whichever is lower.
- (d) Fixed Assets are stated at cost less depreciation.
- (e) Depreciation on all Assets is provided on Straight Line Method in accordance with provisions of section 205(2) of Companies Act, 1956.
- (f) Retirement Benefits :
- (i) The Company follows the policy of "pay as you go" method for gratuity and hence no provisions are made in the books of accounts.
- (ii) No provision is made for leave encashment payments and same is accounted when paid.
- (g) Taxation :
- Tax expenses comprise both current tax and deferred tax at the applicable enacted or substantially enacted rates. Current tax represents the amount of income tax payable/recoverable in respect of the taxable income/loss for the reporting period.

Deferred tax represents the effect of timing difference between taxable income and accounting income for the reporting period that originates in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets are recognised only if there is a reasonable certainty that sufficient future taxable income will be available, against which they can be realised. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

- (h) The company has entered in to a 49:51 Joint Venture with Tripura Industries Pvt. Ltd. on 23rd November, 2007 for investment by way of purchase of Equity shares. Tripura Industries Pvt. Ltd. is a Nepal based company engaged in packaging and marketing of Tea. The total consideration of 49,000 Equity shares is agreed as Indian Rs. 30,62,500/- which is payable in the ratio of Joint Venture.

II. Notes to Accounts :**3. Auditors' remuneration comprises of the following :-**

	Current Year	Last Year
Audit Fee	11236	11236

- 3 All borrowing costs are charged to Profit & Loss a/c., since they are not directly attributable to acquisition, construction or production of qualifying assets.

**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2008**

Schedule 'K' (Contd.)

II. Notes to Accounts : (Contd.)

5. Advances include payment to Companies/Firms in which directors are interested NIL Maximum amount of outstanding during the year Rs.17,41,380/- (Previous year Rs.17,41,380/-).
6. As at 31st March 2008 the company had no outstanding dues to small scale industrial undertakings (As at 31st March, 2006 Rs. Nil).

7. Earning per share :

	31-03-08	31-03-07
Profit /(Loss) after taxation as per P&L A/C	342822	157672
Weight average number of equity shares o/s	750000	750000
Basic and deducted earning per share in Rs.	0.46	0.21

8. Information pursuant to clause (3) of Part II Schedule XI to the Companies Act, 1956.
Quantity and value in respect of opening stock, production/purchases, sales and closing stock.

(A) Mining

Class of Goods	Unit	Opening Stock		Produ/Pur.		Sales		Closing Stock	
		Qty	Amount	Qty.	Amt.	Qty.	Amt.	Qty	Amount
Granite Blocks	Cu.Mt.	1165.614	1597472	0	0	0	0	0	0
		(1165.614)	(1597472)	(0)	(0)	(0)	(0)	(1165.614)	(1597472)
Granite Tiles	Sq.Ft.	272	19055	0	0	0	0	0	0
		(272)	(19055)	(0)	(0)	(0)	(0)	(272)	(19055)
Total			0	0	0	0	0		0
			(1616527)	(0)	(0)	(0)	(0)		(1616527)

**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2008**

Schedule 'K' (Contd.)

II. Notes to Accounts : (Contd.)

(B) Equity Shares

Scrip	Opening Stock		Purchase		Sales		Stock as per Cost Rs.	Stock as per Mkt. Value Rs.	Cl. Stock (Cost OR Mkt. value whichever is less)	
	No.	Amount Rs.	No.	Amount	No.	Amount Rs.			No.	Amount
21st Century	10,000	2,28,944	2000	70,880	-	-	2,99,824	499800	12,000	2,99,824
Adani Export	-	-	4100	15,45,765	3500	2194201	4,48,657	360300	600	3,60,300
Alka India Ltd.	5,000	3,000	-	-	-	-	3,000	4850	5,000	3,000
Asian Hotel	-	-	100	65,497	-	-	65,497	56290	100	56,290
Assam Co. Ltd	-	-	20,000	3,57,000	20,000	3,25,470	-	-	-	-
Atlas Capsco	-	-	140	2,06,913	-	-	2,06,913	133882	140	1,33,882
Tutis (Amex Info) Tech Ltd.	2,000	26,600	-	-	-	-	26,600	22200	2,000	22,200
Balaji Telefilm Ltd	1,000	1,27,000	-	-	1,000	1,57,780	-	-	-	-
Bank of Rajasthan	1,000	38,800	-	-	1,000	62,000	-	-	-	-
Billpower Ltd	2,000	3,05,300	-	-	2,000	3,68,092	-	-	-	-
Bombay Dyeing	-	-	300	2,20,941	-	-	2,20,941	184290	300	1,84,290
Century Textile Ltd	4,705	22,78,724	7,770	52,89,888	8,025	55,38,193	33,56,582	3245385	4,450	32,45,385
Cipla Ltd	-	-	1,000	1,86,350	1,000	1,86,698	-	-	-	-
Diana Tea	-	-	5,000	1,55,140	-	-	1,55,140	72250	5,000	72,250
Deccan Cement Ltd	935	1,17,997	-	-	935	1,29,543	-	-	-	-
Garware Polyester	3,000	1,18,740	-	-	-	-	1,18,740	129150	3,000	1,18,740
Great Estem Shipping	400	81,140	-	-	400	1,40,520	-	-	-	-
Greate Offshore Ltd.	100	33,868	-	-	100	81,356	-	-	-	-
GHCL	800	1,02,042	4,000	5,31,408	-	-	6,33,450	489840	4,800	4,89,840
GTC Industries Ltd	10,150	15,76,295	-	-	10,150	25,99,872	-	-	-	-
Hindalco	124	16,157	-	-	124	26,433	-	-	-	-
Hindalco (PP)	306	14,688	-	14,688	306	65,230	-	-	-	-
Hindusthan Organic chem	-	-	4,500	3,48,756	4,500	3,95,360	-	-	-	-
Hotel Leela	-	-	2,000	1,03,012	2,000	1,45,700	-	-	-	-
ICICI Bank Ltd	-	-	200	1,72,886	-	-	1,72,886	154020	200	1,54,020
IDBI	-	-	5,000	7,58,468	5,000	8,00,400	-	-	-	-
IFCI	-	-	5,000	2,36,700	2,000	2,13,815	1,42,020	132150	3,000	1,32,150
Infosys Ltd.	1,255	13,28,229	-	-	1,255	24,33,702	-	-	-	-
KLG Systel Ltd	-	-	200	1,01,702	-	-	1,01,702	112040	200	1,01,702
Larson & Tubro Ltd	-	-	1,800	38,20,577	1,250	44,90,902	13,55,880	1663640	550	13,55,880
Manglore Chemicals	-	-	2,000	87,321	-	-	87,321	39300	2,000	39,300
Mid-day Multi Ltd	1,000	39,600	-	-	-	-	39,600	27300	1,000	27,300
Micro Tech	-	-	1,000	3,85,650	-	-	3,85,650	206050	1,000	2,06,050
Nagarjuna Fertilizers	-	-	2,000	1,15,940	1,000	80,986	57,970	37050	1,000	37,050
Nocil Ltd	-	-	2,000	56,620	2,000	84,875	-	-	-	-
Om metals	2,000	80,500	-	-	2,000	1,93,770	-	-	-	-
ONGC	570	3,61,003	-	-	270	3,09,953	1,90,002	294405	300	1,90,002
Pennar Alluminium	-	-	5,000	41,000	-	-	41,000	15500	5,000	15,500
Pletico Pharma Indu.	-	-	1,000	4,50,883	-	-	4,50,883	384700	1,000	3,84,700
Pricol	1,000	32,900	-	-	1,000	29,275	-	-	-	-
Ranbaxy Lab. Ltd	-	-	200	86,960	200	83,136	-	-	-	-
Raunaq Auto Ltd.	1,400	30,380	-	-	1,400	32,148	-	-	-	-
Reliance Commercial Ventur	960	3,05,626	-	-	-	-	3,05,626	487968	960	3,05,626
Reliance Industries Ltd	75	89,402	-	-	75	1,10,404	-	-	-	-
Reliance Energy Ltd	-	-	300	4,92,354	-	-	4,92,354	375345	300	3,75,345
Reliance Power Ltd	-	-	127	57,150	-	-	57,150	40329	127	40,329
Sanghi Industries Ltd	2,500	1,32,500	-	-	2,500	2,45,135	-	-	-	-
State Bank of India	200	1,98,581	-	-	-	-	1,98,580	319770	200	1,98,580
Suryachakra Power	-	-	10,000	2,59,182	10,000	3,35,780	-	-	-	-
Tata Consultancy Services L	835	8,71,016	-	-	835	8,74,406	-	-	-	-
Tata Iron & Steel Co.Ltd.	2,100	9,36,866	449	1,34,700	300	2,46,494	9,37,728	1558894	2,249	9,37,728
TISCO Cum.Con.Pref	-	-	1,890	1,89,000	-	-	1,89,000	189000	1,890	1,89,000
Tata Power Ltd	500	2,17,224	-	-	500	2,78,068	-	-	-	-
Trend Ltd.	600	2,54,212	134	67,000	134	71,815	2,64,437	315060	600	2,64,437
T-Spritual	5,000	4,200	-	-	-	-	4,200	19700	5,000	4,200
Voltas Ltd	-	-	1,000	2,51,300	-	-	2,51,300	177950	1,000	1,77,950
	61,515	99,51,534	90,210	1,68,61,631	86,759	2,33,31,512	1,12,60,633	1,17,48,408	64,966	1,01,22,850
Previous year	-	66,38,190	-	1,23,63,066	-	97,12,549	-	1,21,47,389	-	-

11 Previous year figures have been regrouped and/or rearranged wherever necessary to make them comparable with current year figures.

12 Figures in brackets indicate figures of previous year.

Signature to Schedule 'A' to 'L'

As per our report of even date.
For K. N. Gandhi & CO.
Chartered Accountants

For and on behalf of the Board

Sd/-
K.N.GANDHI
(Proprietor)

Rajkumar Thard
(Chairman &
Managing Director)

Sd/-

Sd/-
Anil Saraf
(Director)

Sd/-
Pushpa Thard
(Director)

Place : Mumbai
Date : 31/07/2008

Sd/-
D.N. Kulkarni
(Director)

Sd/-
Virendra Pandya
(Director)

Sd/-
Ophelia Rodrigues
(Director)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008 (Pursuant to the Listing Agreement with Stock Exchange)			
A.	CASH FLOW FROM OPERATING ACTIVITIES :	Rupees	March, 2007 Rupees
	NET PROFIT/(LOSS) BEFORE TAX AND EXTRA ORDINARY ITEMS	489962	341282
	Adjustments for :		
	Depreciation	216046	43720
	Loss/(Profit) on sale of Investment	(135490)	(1559727)
	Loss/(Profit) on speculation of shares	(6855)	(98950)
	Interest Received	(134242)	0
	Loss/(Profit) on Derevative Trading	2707548	(94223)
	Misc Income	0	(45132)
	Dividend and Other Income	(802405)	(551377)
		1844602	(2305689)
	OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	2334564	(1964407)
	Adjustments for :		
	Trade & other Receivable	2247529	670637
	Inventories	1445211	(1589991)
	Trade & other payable	964284	2860
		4657024	(916494)
	CASH GENERATED FROM OPERATION	6991588	(2880901)
	Direct Taxes	0	0
	CASH FLOW BEFORE EXTRA ORDINARY ITEMS	6991588	(2880901)
	NET CASH FROM OPERATING ACTIVITIES	6991588	(2880901)
	B. CASH FLOW FROM INVESTING ACTIVITIES :		
	Sale/(Purchase) of Fixed Assets	(1842846)	(61300)
	Profit (Loss) on Sale of Investments	135490	1559727
	Speculation Profit on share trading	6855	98950
	Profit /(Loss) on Derevative Trading	(2707548)	94223
	Interest received	134242	53500
	Misc Income	0	45132
	Dividend/Others received	802405	551377
	Sale/(Purchase) of Investment	(2952647)	377715
	NET CASH USED IN INVESTING ACTIVITIES	(6424049)	2719324
		567539	(161577)
	C. CASH FLOW FROM FINANCING ACTIVITIES :		
	Loan paid(Borrowing Repayments) net	-	-
	NET CASH USED IN FINANCING ACTIVITIES	-	-
	NET INCREASE/(DECREASE)IN CASH & CASH EQUIVALENTS	567539	(161577)
	CASH AND CASH EQUIVALENTS AS AT 01.4.2007	336016	497593
	CASH AND CASH EQUIVALENTS AS AT 31.3.2008	903555	336016

Note : All figures in brackets are outflows.

For NIDHI GRANITES LIMITED

Place : Mumbai
Date : 31/07/2008

Sd/-
RAJKUMAR THARD
Chairman & Managing Director

AUDITORS' CERTIFICATE

We have verified the above Cash Flow Statement with the books and records maintained by Nidhi Granites Limited and certify that in our opinion and according to the information and explanations given to us, the above statement is in accordance herewith.

Place : Mumbai
Date : 31/07/2008

Sd/-
For K. N. GANDHI & CO.
Chartered Accountants

Sd/-
K.N.GANDHI
(Proprietor)

Additional information as required under Part-VI to the Companies Act, 1956.
Balance Sheet Abstract and Company's general business profile.

I. Registration Details

Registration No. State Code

Balance Sheet Date

II. Capital raised during the year (Amount in Rs.)

Public Issue Right Issue

Bonus Issue Private Placement

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

Total Liabilities	<input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="9"/> <input type="text" value="5"/> <input type="text" value="2"/> <input type="text" value="7"/> <input type="text" value="3"/>	Total Assets	<input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="9"/> <input type="text" value="5"/> <input type="text" value="2"/> <input type="text" value="7"/>
<u>Sources of Funds</u>		<u>Reserves & Surplus</u>	
Paid-up Capital	<input type="text" value="7"/> <input type="text" value="4"/> <input type="text" value="9"/> <input type="text" value="7"/> <input type="text" value="7"/> <input type="text" value="0"/> <input type="text" value="0"/>		<input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="7"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="7"/>
Secured Loans	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Unsecured Loans	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
<u>Application of Funds</u>		<u>Investments</u>	
Net Fixed Assets	<input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="3"/> <input type="text" value="7"/>		<input type="text" value="6"/> <input type="text" value="3"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="4"/> <input type="text" value="9"/>
Net Current Assets	<input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="5"/> <input type="text" value="8"/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="1"/>	Deferred Tax	<input type="text" value="8"/> <input type="text" value="9"/> <input type="text" value="4"/> <input type="text" value="5"/> <input type="text" value="0"/>

IV Performance of Company (Amount in Rs.)

Turnover	<input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="3"/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="1"/> <input type="text" value="2"/>	Total Expenditure	<input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="5"/> <input type="text" value="9"/> <input type="text" value="2"/> <input type="text" value="8"/>
Profit before tax	<input type="text" value="4"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="8"/>	Profit after tax	<input type="text" value="4"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="8"/>
Earning per share in Rs.	<input type="text" value="0"/> <input type="text" value="."/> <input type="text" value="4"/> <input type="text" value="6"/>	Dividend rate %	<input type="text" value="."/> <input type="text" value="0"/> <input type="text" value="."/> <input type="text" value="0"/> <input type="text" value="0"/>

V Generic Names of Two Principal Product/Services of Company (as per monetary terms)

Item Code No. (ITC Code)

Product Description

NIDHI GRANITES LIMITED

Registered Office :

505, Sharda Chambers, 15 New Marine Lines, Mumbai 400 020.

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. (Joint Shareholders may obtain additional Attendance Slips on request)

I hereby record my presence at the 26th Annual General Meeting of the Company at 9, Shopping Centre, 2nd Floor, Station Road, Santacruz (West), Mumbai 400 054, at 11.00 a.m. on Monday 29th September, 2008.

Name of the Shareholder (In Block Letters)	No.of Shares held
Signature of the attending Member/Proxy	Folio No.

NIDHI GRANITES LIMITED

Registered Office :

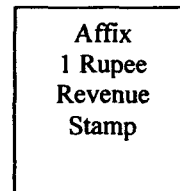
505, Sharda Chambers, 15 New Marine Lines, Mumbai 400 020.

(In case the member is unable to present in person at the meeting this form may be used)

PROXY FORM

I/We _____ of _____ in the district of _____ being a Member/Members of the above named company, hereby appoint _____ of _____ in the district of _____ failing him/her _____ of _____ in the district of _____ as my/our proxy to attend and vote for me/us on my/our behalf at the 26th Annual General Meeting of the Company to be held on Monday, 29th September, 2008 at 11.00 a.m. and at any adjournment thereof.

this _____ day of September, 2008.



Note : The proxy must be returned so as to reach the Registered Office of the company not less than 48hours before the time of holding the aforesaid meeting.

Book Post / UPC

To: _____

If undelivered return to:

NIDHI GRANITES LIMITED

505, Sharda Chambers,

15, New Marine Lines,

Mumbai 400 020.