

28th Annual Report 2009-2010

**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
Mrs. Ophelia Rodrigues
Mr. Virendra Pandya (Resigned w.e.f. 31/07/2010)

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
HDFC Bank
State Bank of India

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 28th 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 Wednesday, the 29th September, 2010 at 11.00 a.m. to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010, the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rajkumar Thard who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Anil Saraf who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

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

“RESOLVED that pursuant to section 269 and other applicable provisions, if any, of the Companies Act, 1956, Mr. Rajkumar Thard be and is hereby appointed as Managing Director of the company for a period of five years with effect from 31st July, 2010 without payment of remuneration.

FURTHER RESOLVED that he shall continue to carry out his duties as hereby entrusted to him by the Board and he shall also perform such other duties and services as shall from time to time be entrusted to him by the Board.”

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. Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 is annexed hereto.
4. The Register of Members and Share Transfer Books will remain closed from Wednesday, the 22nd September, 2010 to Wednesday, the 29th September, 2010(both days inclusive).
5. Members are requested to bring their copies of the Annual Report at the Annual General Meeting.
6. 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 2010

ANNEXURE TO NOTICE

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

ITEM NO. 5

The Board of Directors at its meeting held on 31st July, 2010 has considered it appropriate to appoint Mr. Rajkumar Thard as Managing Director of the Company for a period of five years from 31st July, 2010 subject to the approval of the members of the Company and such approvals as may be required.

Terms of appointment of Mr. Rajkumar Thard, as Managing Director are as under :

1. Period of employment : 5 years.
2. The Managing Director has foregone to take any remuneration in view of the company not performing well.
3. The Company shall reimburse to the Managing Director, entertainment, Travelling and all other expenses actually and properly incurred for the business of the Company, subject to a reasonable ceiling on entertainment expenses being fixed by the Company.
4. He shall not be paid sitting fees for attending the meeting of the Board of Directors and Committees thereof.

The above may be treated as an abstract of the terms and conditions of contract between the Company and Mr. Rajkumar Thard pursuant to Section 302 of the Companies Act, 1956.

The appointment may be terminated by either party giving to the other party three months' notice.

The Board recommends the resolution for approval of the members.

All the Directors except Mrs. Pushpa Thard are concerned or interested to the said resolution.

DIRECTORS' REPORT

Your Directors have pleasure in presenting their 28th Annual Report together with the Audited Accounts for the year ended on 31st March 2010

FINANCIAL HIGHLIGHTS

The Financial results for the year ended 31st March 2010 are as summarised below :

	Current Year (Rs.in '000)	Previous Year (Rs.in '000)
Sales (Share Trading)	<u>585</u>	<u>541</u>
Gross Profit/(Loss)	6134	(6345)
Depreciation	213	215
Deferred Tax	-	-
Profit/(Loss) after tax	5025	(6512)
<u>Add : Balance in Profit & Loss A/c.</u>	(1809)	4702
Loss/Profit available	3216	(1809)
Balance carried to Balance Sheet	3216	(1809)

DIVIDEND

In order to conserve the funds, your Directors thought it fit not to recommend any dividend for the current year.

BUSINESS

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

In the interest of the Company, the Directors agreed to settle the case against the Developer in regard to the office premises purchase by the Company in the building known as Krishna Business Park situated at Andheri. The compensation was amicably settled with Developer.

FIXED DEPOSITS:

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

DIRECTORS

Mr. Virendra Pandya has resigned from the Company's Board on 31st July, 2010. Your Directors place on record the valuable services rendered by him.

At the meeting of the Board of Directors of the Company held on 31st July, 2010 the Board decided to appoint Mr. Rajkumar Thard, as Managing Director, subject to the approval of the shareholders, for a period of 5 years from 31st July 2010.

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 judgements 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
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, 2010 is attached herewith.

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 2010-11.

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 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 earning 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 2010

At the meeting of the Board of Directors of the Company held on 31st July, 2010 the Board decided to appoint Mr. Rajkumar Thard, as Managing Director, subject to the approval of the shareholders, for a period of 5 years from 31st July 2010.

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AUDITOR'S REPORT

I have audited the attached Balance Sheet of NIDHI GRANITES LIMITED as at 31st March, 2010 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. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with the auditing standards generally accepted in India. Those standards require that I 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. I believe that my audit provides a reasonable basis for my 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, I enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to my comments in the Annexure referred to in paragraph 1 above, I state that :-
 - a) I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purpose of my audit.
 - b) In my opinion, proper books of account as required by law have been kept by the company so far as appears from my 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, 2010 and taken on record by the Board of Directors, I 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 my opinion and to the best of my information and according to the explanations given to me, 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 2010.
- (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 : 31/07/2010

ANNEXURE

RE : 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 programme 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 my 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 and no material discrepancy was noticed on physical verification of inventory
- (iii) In my opinion and according to the information and explanations given to me, the Company has not granted/taken loans secured or unsecured to/from companies, firms or other parties covered in the register, maintained under section 301 of companies Act.
- (iv) In my opinion and according to the information and explanations given to me, 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 me, I am 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 my opinion and according to the information and explanations given to me, 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 my opinion the internal audit system of the Company is commensurate with its size and nature of its business.
- (viii) I am 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 my 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) In my opinion and according to the information and explanations given to me the Company has no dues against financial institution, banks or debenture holders.
- (xii) In my 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, debenture and other securities.
- (xiii) In my 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.

- (xiv) 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.
- (xv) In my opinion and according to the explanations given to me, the Company has not given any guarantees for loans taken by others from bank or financial institutions.
- (xvi) The Company has not raised term loans during the year.
- (xvii) According to the information and explanations given to me and on an overall examination of the Balance Sheet of the Company, I report that no funds raised on short term basis has been used for long term investment.
- (xviii) In my opinion and according to the information and explanations given to me 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.
- (xix) The Company has not issued any debentures during the period covered by the audit.
- (xx) The Company has not raised any money by way of public issue during the period covered by the audit.
- (xxi) According to the information and explanations given to me, no fraud on or by the Company has been noticed or reported during the course of my audit.

For K. N. GANDHI & Co.
CHARTERED ACCOUNTANTS

Sd/-
(K.N. GANDHI)
PROPRIETOR

Place : Mumbai
Date : 31/07/2010

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 2010. 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 under this paragraph are not applicable.
4. The Board of Directors met Five (5) times respectively on 29th April, 2009, 31st July, 2009, 31st October, 2009, 31st January, 2010 and 5th March, 2010 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 closed its Register of Members from 22nd September, 2009 to 29th September, 2009 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, 2009 was held on 29th September, 2009 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. The Company was not required to make any entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of Directors, members or Central Government 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/transmission in accordance with the provisions of the Act. There was no allotment 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 ended 31st March, 2010.
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)

Date: 29th July, 2010

Place: Mumbai

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

Annexure A

Registers as maintained by the Company

1. Register of Members u/s.150 of the Act.
2. Register of Directors Shareholdings u/s.307 of the Act.
3. Register of Directors, Managing Director, Manager and Secretary u/s.303 of the Act.
4. Minutes Books of Board of Directors u/s.193 (1) of the Act.
5. Minutes Books of the proceedings of General Meeting u/s 193(1), 196(1) of the Act.

Annexure-B

Forms and Returns as filed by the Company, during the financial year ended 31st March, 2009.

i) With Registrar of Companies.

Sr. No.	Forms	Purpose
1.	Annual Accounts (Form 23AC and 23 ACA)	U/s.220 of the Companies Act, 1956 as on 31 st March, 2009 was filed on 3 rd December, 2009.
2.	Annual Return (Form 20B)	U/s.159 of the Companies Act, 1956 as on 29 th September, 2009 was filed on 3 rd December, 2009.
3.	Compliance Certificate Form 66	U/s 383A of the Companies Act, 1956 as on 31 st March, 2009 was filed on 24 th November, 2009.

ii) With Regional Director.

Not Applicable

iii) With Central Government or other authorities.

Not Applicable

For DHOLAKIA & ASSOCIATES
(Company Secretaries)

Place: Mumbai
Date: 29th July, 2010

Sd/-
(C.S. B. V Dholakia)
Proprietor
C.P.No.507

BALANCE SHEET AS AT 31st MARCH, 2010

	Schedules	Rupees	March,2009 Rupees
<u>SOURCES OF FUNDS</u>			
Shareholders' Funds			
Share Capital	A	7497700	7497700
Reserves and Surplus	B	13215784	8190858
Secured Loans	C	46514	579013
Deferred Tax	D	0	0
Total		20759998	16267571
<u>APPLICATION OF FUNDS</u>			
Fixed Assets			
Gross Block	E	2999208	2999208
Less : Depreciation		1111016	898046
		1888192	2101162
Investments	F	10442298	6418833
Current Assets, Loans & Advances	G	9399710	7852429
Less : Current Liabilities & Provisions	H	970202	104853
Net Current Assets		8429508	7747576
Total		20759998	16267571

Notes on Accounts
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 : 31/07/2010

Rajkumar Thard sd/-
(Chairman &
Managing Director)

Directors
Anil Saraf sd/-

Pushpa Thard sd/-

D.N. Kulkarni sd/-

Ophelia Rodrigues sd/-

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

	Schedules	Rupees	March 2009 Rupees
<u>INCOME</u>			
Sales (Share Trading)		5850372	541223
Other Income	I	4435629	257416
Increase/(Decrease) in Stock	J	1304261	(6079278)
		<u>11590262</u>	<u>(5280639)</u>
<u>EXPENDITURE</u>			
Purchases (Share Trading)		1906053	192431
Auditors Remuneration		23163	20224
Administration & Other Exp.	K	3526574	852098
		<u>5455790</u>	<u>1064753</u>
PROFIT/(LOSS) BEFORE DEPRECIATION		6134472	(6345392)
<i>Less</i> : Depreciation		212970	214875
PROFIT/(LOSS) BEFORE TAXATION		5921502	(6560267)
<i>Add</i> : Provision for Taxation		900000	-
		5021502	(6560267)
<i>Less</i> : Fringe Benefit Tax		-	35,794
		5021502	(6596061)
<i>Add</i> : Excess provisions for Fringe Benifit Tax earlier Year W/off		3,424	4,908
		5024926	(6600969)
<i>Add</i> : Deferred Tax		-	89,450
		5024926	(6511519)
<i>Add</i> : Balance brought forward from previous year		(1809142)	4702377
PROFIT AVAILABLE FOR APPROPRIATION		<u>3215784</u>	<u>(1809142)</u>
Balance carried forward		<u>3215784</u>	<u>(1809142)</u>

Earnings per share 6.70 (8.68)

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

Rajkumar Thard sd/-
(Chairman &
Managing Director)

Directors
Anil Saraf sd/-

sd/-

K.N.GANDHI

(Proprietor)

Pushpa Thard sd/-

Place : Mumbai

Date : 31/07/2010

D.N. Kulkarni sd/-

Ophelia Rodrigues sd/-

Scheduled forming part of the Balance Sheet as at 31st March 2010

Schedule 'A'	Rupees	March, 2009 Rupees
SHARE CAPITAL		
Authorised Capital		
1000000 Equity Shares of Rs.10/- each.	<u>10000000</u>	<u>10000000</u>
Issued, Subscribed and Paid-up		
750000 Equity Shares of Rs.10/- each fully paid up.	7500000	7500000
<i>Less</i> : 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.	3215784	(1809142)
	<u>13215784</u>	<u>8190858</u>
Schedule 'C'		
SECURED LOANS		
ICICI Bank against Hypothication of Car	<u>46514</u>	<u>579013</u>
	<u>46514</u>	<u>579013</u>
Schedule 'D'		
DEFERRED TAX		
(a) Deferred Tax Liability on account of depreciation	8049	16350
(b) Deferred Tax Assets brought forward	-	89450
Diferred Tax Liability	<u>8049</u>	<u>105800</u>
(a) Carried forward business Losses and unabsorbed depreciation restricted to	8049	105800
Deffered Tax Assets	-	-
	<u>8049</u>	<u>105800</u>
Net Tax Liability/Assets	NIL	NIL

Schedule 'E'

FIXED ASSETS

Description	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 01.04.09	Additions during the Year	Sales during the Year	As at 31.03.10	Upto 31.03.09	For the Year	Dedu- ction	Upto 31.03.10	As at 31.03.10	As at 31.03.09
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land	422000	-	-	422000	-	-	-	0	422000	422000
Building	23100	-	-	23100	8773	377	-	9150	13950	14327
Electric Installations	37248	-	-	37248	31707	2232	-	33939	3309	5541
Data Processing Machine	97450	-	-	97450	50176	14186	-	64362	33088	47274
Furniture and Fixtures	205358	-	-	205358	194896	3164	-	198060	7298	10462
Office Equipment	358180	-	-	358180	253906	15829	-	269735	88445	104274
Vehicles	1842846	-	-	1842846	350140	175070	-	525210	1317636	1492706
Water Purifier	6890	-	-	6890	4468	1117	-	5585	1305	2422
EPABX System	6136	-	-	6136	3980	995	-	4975	1161	2156
Total	2999208	-	-	2999208	898046	212970	-	1111016	1888192	2101162
Previous Year	2999208	-	-	2999208	683171	214875	-	898046	2101162	

Schedules forming part of the Balance Sheet as at 31st March 2010

		Rupees	March, 2009 Rupees
Schedule 'F'			
INVESTMENT (AT COST)			
(A) In Government Securities (Unquoted)			
	6 Years National Savings Certificate (Deposited with Government Department)	0	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) Garware Plastic & Polyester Ltd.	-	99875
750	(750) INDAL Ltd	-	-
(C) In Equity Shares of Rs.10/- each fully paid-up (Unquoted)			
-	(5000) LWS Knitwear Ltd.	-	143950
-	(1000) Karnataka Ball Bearing Ltd.	-	14000
-	(2600) U.B. Petro Ltd.	-	40215
-	(2600) Sachs India Ltd.	-	268605
49000	(49000) Tripura Industries (Nepal) Pvt.Ltd.	3062500	3062500
(D) In Preference Shares of Rs.10/- each fully paid-up (Unquoted)			
100	(100) Mukund India Ltd.	31592	31592
750	0 Hindalco Industries Ltd	-	-
(E) Mutual Fund			
57344.825	(52469.774) HSBC Equity Dividend Reinvestment	1346257	1215083
14259.009	(10993.555) HDFC Prudence Fund - Dividend	325949	281013
8071.000	(8071.000) HDFC Equity Fund - Dividend	200000	200000
14286.000	(14286.000) Prudence ICICI Disc. - Dividend	200000	200000
0.000	(48899.756) Prudential ICICI Service India Fund - Dividend	0	500000
0.000	(5000.000) Kotak Lifestyle Mutual Fund	0	50000
197725.367	0.00 Reliance Regular Savings Fund- Debt. Retail Grw	2500000	0
193699.348	0.000 HDFC MF Monthly Income Plan Long Term	2500000	0
(F) Others			
18	(18) Membership rights in Dalmia Resorts International Pvt.ltd.	275500	275500
	Aggregate value of Investments	<u>10442298</u>	<u>6418833</u>
	Market value of quoted Investments	7598682	1836235
	Aggregate Value of unquoted Investments & Other:	3338500	3832647

Schedules forming part of the Balance Sheet as at 31st March 2010

Schedule 'G'	Rupees	March, 2009 Rupees
CURRENT ASSETS, LOANS & ADVANCES		
Current Assets :		
Inventory (As taken, valued and certified by the Management)	5347833	4043572
Total (a)	<u>5347833</u>	<u>4043572</u>
Sundry Debtors (Unsecured) :	-	-
Total (b)	<u>-</u>	<u>-</u>
Cash and Bank Balances :		
Cash on hand	76223	156841
<u>Balance with Scheduled Banks :</u>		
Fixed Deposit	5000	5000
In Current Accounts	3893854	67646
Total (c)	<u>3975077</u>	<u>229487</u>
Loans and Advances : (Unsecured, considered good)		
Loans	-	600000
Advances recoverable in cash or in kind or for value to be received - considered good	76800	2979370
Total (d)	<u>76800</u>	<u>3579370</u>
Total (a+b+c+d)	<u>9399710</u>	<u>7852429</u>
Schedule 'H'		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities :		
Other Liabilities	70202	104853
Total (a)	<u>70202</u>	<u>104853</u>
Provisions :		
Provision for Taxation	900000	-
Total (b)	<u>900000</u>	<u>-</u>
Total (a+b)	<u>970202</u>	<u>104853</u>

Schedules forming part of the Profit & Loss Account for year ended 31st March 2010

Schedule 'I'	Rupees	March, 2009 Rupees
OTHER INCOME		
Interest	5,406	0
Dividend	356039	257389
Profit on sale of Investment	-	27
Profit on sale of Assets	40,72,575	-
Miscellaneous Income	1609	-
Total	<u>4435629</u>	<u>257416</u>
Schedule 'J'		
INCREASE (DECREASE) IN STOCK		
Closing Stock	5347833	4043572
Less : Opening Stock	4043572	10122850
Total	<u>1304261</u>	<u>(6079278)</u>
Schedule 'K'		
ADMINISTRATION AND OTHER EXPENSES		
Payments to and provisions for Employees	214741	213242
Interest Paid	29737	74329
Motor Car Expenses	50330	50959
Repairs and Maintenance	87666	110655
Custodian Charges	13,236	8,990
Rates and Taxes	11282	10363
Security Transaction Tax	9247	819
Telephone expenses	104563	109794
Professional charges	70290	63338
Conveyance	16608	18715
Printing and Stationery	25214	27978
Electricity Expenses	71294	83990
Computer Expenses	21,678	27,741
Advertisement	12228	8640
Listing fees	12314	10000
Loss on sale of Investment	5,13,983	0
Share Transfer Chages	26,472	26,926
Bad & doubtful debts	21,72,383	-
Donation	50,000	-
Miscellaneous expenditure	13308	5619
Total	<u>3526574</u>	<u>852098</u>

**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2010**

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.

II. Notes to Accounts :**1. Auditors' remuneration comprises of the following :-**

	Current Year	Previous Year
Audit Fee	23163	20224

2. All borrowing costs are charged to Profit & Loss a/c., since they are not directly attributable to acquisition, construction or production of qualifying assets.
3. The Company has not provided for deferred tax liability on account of current year depreciation on fixed assets. 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.

**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2010**

Schedule 'L' (Contd.)

II. Notes to Accounts : (Contd.)

4 As at 31st March 2010 the company had no outstanding dues to small scale industrial undertakings (As at 31st March, 2009 Rs. Nil).

5 Earning per share :

	31/03/2010	31/03/2009
Profit/(Loss) after taxation as per P&L A/C	5024926	(6600969)
Weight average number of equity shares o/s	750000	750000
Basic and deducted earning per share in Rs.	6.70	(8.68)

6 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.

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 Rs.	No.	Amount Rs.			No.	Amount
21st Century	12,000	84,000	-	-	-	-	2,99,824	3,34,800	12,000	2,99,824
Aban Offshore	-	-	250	3,11,610	-	-	3,11,610	2,91,288	250	2,91,288
Adani Enterprises	600	1,60,230	-	-	600	315,417	-	-	-	-
Alka India Ltd.	5,000	1,750	-	-	-	-	3,200	1,950	5,000	1,950
Asian Hotel	100	22,465	-	-	-	-	65,497	55,995	100	55,995
Astec Life	-	-	5,000	4,22,617	-	-	4,22,617	2,45,000	5,000	2,45,000
Atlas Capco	140	64,106	-	-	-	-	2,06,913	1,50,605	140	1,50,605
Turtis (Amex Info) Tech Ltd.	2,000	26,600	-	-	-	-	26,600	49,900	2,000	26,600
Bombay Dyeing	300	50,385	-	-	300	1,82,634	-	-	-	-
Cals Refinery	-	-	20,000	11,800	-	-	11,800	8,800	20,000	8,800
Century Textile Ltd	4,450	978,555	-	-	-	-	33,56,582	22,65,050	4,450	22,65,050
Diana Tea	2,000	49,700	-	-	-	-	1,55,140	1,40,520	2,000	1,40,520
Garware Polyester	3,000	52,050	-	-	-	-	1,18,740	1,86,450	3,000	1,18,740
GHCL	4,800	1,33,680	-	-	-	-	6,33,450	2,01,360	4,800	2,01,360
GTC Industries :Ltd	-	-	2,000	2,04,037	2,000	1,94,211	-	-	-	-
ICI Bank	200	66,520	-	-	200	1,80,238	-	-	-	-
IICI	3,000	57,900	-	-	3,000	1,78,140	-	-	-	-
KLG Systel	200	15,580	-	-	-	-	1,01,702	23,430	200	23,430
Larsen & Tubro	1,100	7,39,915	-	-	1,100	17,36,893	-	-	-	-
Mangalore Chemicals	2,000	23,620	-	-	-	-	87,321	46,700	2,000	46,700
Mid-day Multy Ltd	1,000	11,810	-	-	-	-	1,03,234	28,350	1,000	28,350
Micro Tech	1,000	69,100	-	-	-	-	3,85,650	1,89,050	1,000	1,89,050
Nagarjuna Fertilizers	1,000	17,800	-	-	-	-	57,970	30,700	1,000	30,700
Pennar Allunium	5,000	6,100	-	-	-	-	41,000	9,600	5,000	9,600
Pietico Pharma Industries	1,000	1,05,600	-	-	-	-	4,50,883	3,77,400	1,000	3,77,400
Reliance Comm. Venture	960	1,67,616	-	-	-	-	3,05,626	1,63,872	960	1,63,872
Reliance Infracore	300	1,54,605	-	-	-	-	4,92,354	2,99,505	300	2,99,505
Reliance Power Ltd	203	20,808	-	-	-	-	57,150	30,349	203	30,349
State Bank of India	175	1,86,646	-	-	175	3,02,067	-	-	-	-
SAIL	-	-	2,500	6,01,200	2,500	6,08,775	-	-	-	-
Tata Chemicals Ltd	-	-	500	1,65,789	-	-	1,65,789	1,63,425	500	1,63,425
Tata Steel Ltd	2,249	4,63,294	315	1,89,000	2,564	16,47,642	-	-	-	-
Tata Steel Ltd Pref.	1,890	67,757	-	-	1,890	1,89,000	-	0	-	-
Trend Ltd.	600	1,98,000	-	-	600	3,15,355	-	0	-	-
T-Spiritual	1,000	1,230	-	-	-	-	4,200	2,420	1,000	2,420
Voltas Ltd	1,000	46,150	-	-	-	-	2,51,300	1,77,300	1,000	1,77,300
	58,267	40,43,572	30,565	19,06,053	14,929	58,50,372	81,16,152	54,73,819	73,903	53,47,833
Previous year	64,966	1,01,22,850	776	1,92,431	7,475	5,41,223	1,11,53,139	40,49,252	58,267	40,43,572

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

8 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 AccountantsK.N.GANDHI
(Proprietor)

For and on behalf of the Board

Rajkumar Thard
(Chairman &
Managing Director)

sd/-

sd/-
Anil Saraf
(Director)sd/-
D. N. Kulkarni
(Director)sd/-
Pushpa Thard
(Director)sd/-
Ophelia Rodrigues
(Director)Place : Mumbai
Date : 31/07/2010

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

(Pursuant to the Listing Agreement with Stock Exchange)

		Rupees		March, 2009
				Rupees
A.	CASH FLOW FROM OPERATING ACTIVITIES :			
	NET PROFIT/(LOSS) BEFORE TAX AND EXTRA ORDINARY ITEMS		5921502	(6560267)
	Adjustments for :			
	Depreciation	212970		214875
	Loss/(Profit) on sale of Investment	(513983)		0
	Loss/(Profit) on speculation of shares	0		(27)
	Interest (Received)/ Paid	29737		74329
	Misc. Income	(1609)		0
	Profit on sale of Assets	(4072575)		0
	Dividend and Other Income	(361445)	(4706905)	(25416)
	OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES		1214597	(6528506)
	Adjustments for :			
	Trade & other Receivable	2237859		(442249)
	Inventories	(1304261)		6079278
	Trade & other payable	865349	1798947	(73328)
	CASH GENERATED FROM OPERATION		3013544	(964805)
	Direct Taxes		0	32762
	CASH FLOW BEFORE EXTRA ORDINARY ITEMS		3013544	(932043)
	NET CASH FROM OPERATING ACTIVITIES		3013544	(932043)
B.	CASH FLOW FROM INVESTING ACTIVITIES :			
	Sale/(Purchase) of Fixed Assets	5347833		0
	Profit (Loss) on Sale of Investments	(513983)		0
	Speculation Profit on share trading	0		(27)
	Misc. Income	1609		0
	Interest received	5406		0
	Dividend/Others received	356039		(257389)
	(Purchase)/Sale of Investment	(4023465)		27484
	NET CASH USED IN INVESTING ACTIVITIES		1173439	(229932)
			4186983	(1161975)
C.	CASH FLOW FROM FINANCING ACTIVITIES :			
	Loan paid(Borrowing Repayments) net	4,41,393		4,87,907
	NET CASH USED IN FINANCING ACTIVITIES		3745590	(674068)
	NET INCREASE/(DECREASE)IN CASH & CASH EQUIVALENTS		3745590	(674068)
	CASH AND CASH EQUIVALENTS AS AT 01.4.2009		229487	903555
	CASH AND CASH EQUIVALENTS AS AT 31.3.2010		3975077	229487

Note : All figures in brackets are outflows.

For NIDHI GRANITES LIMITED

Sd/-

Place : Mumbai

RAJKUMAR THARD

Date : 31/07/2010

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.

For K. N. GANDHI & CO.

Chartered Accountants

Place : Mumbai

Sd/-

Date : 31/07/2010

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. 11 25677 State Code 11
Balance Sheet Date 31 03 10

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

Public Issue NIL Right Issue NIL
Bonus Issue NIL Private Placement NIL

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

Total Liabilities	20759998	Total Assets	20759998
<u>Sources of Funds</u>		Reserves & Surplus	13215784
Paid-up Capital	7497700	Unsecured Loans	NIL
Secured Loans	46514	Investments	10442298
<u>Application of Funds</u>		Deferred Tax	NIL
Net Fixed Assets	1888192		
Net Current Assets	8429508		

IV Performance of Company (Amount in Rs.)

Turnover	5850372	Total Expenditure	545579
Profit before tax	5921502	Profit after tax	5024926
Earning per share in Rs.	6.70	Dividend rate %	0.00

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

Item Code No. (ITC Code)
Product Description TRADING

BOOK POST / UPC

TO : _____

If undelivered return to :

NIDHI GRANITES LIMITD
9, Shopping Centre, Station Road,
Santacruz (West)
Mumbai 400 054