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COMPANY INFORMATION

BOARD OF DIRECTORS

SHRI K. RAGHAVA REDDY	-	DIRECTOR
SHRI P.K. TYAGI	-	DIRECTOR
SHRI B S RAJU	-	WHOLETIME DIRECTOR
SHRI P. HARINADHA BABU	-	INDEPENDENT DIRECTOR
SHRI G.NITYANAND	-	INDEPENDENT DIRECTOR
SHRI S.RADHAKRISHNAN	-	INDEPENDENT DIRECTOR

AUDITORS : **M/s G.L. KOTHARI & CO.,**
Bangalore

REGISTERED OFFICE : 25-A Attibele Industrial Area,
Attibele -562 107,
Bangalore district.

CORPORATE OFFICE : 8-2-684/3/25&26, Road No.12,
Banjara Hills, Hyderabad,
Andhra Pradesh- 500 034.

**REGISTRAR AND
SHARE TRANSFER AGENT** : Alpha Systems Private Limited.,
30, Ramana Residency, 4th cross,
Sampige Road, Malleswaram ,Bangalore.

LISTED AT : Bombay Stock Exchange Limited
The Bangalore Stock Exchange Limited
The Ahmadabad Stock Exchange Limited
The Delhi Stock Exchange Limited



NOVA GRANITES (INDIA) LIMITED

NOTICE

Notice is hereby given that the **Twentieth Annual General Meeting** of the members of the Company will be held on **Thursday, 30th September, 2010 at 10.30 A.M** at the Registered office of the Company at **25-A Attibele Industrial Area, Attibele - 562 107, Bangalore District** to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2010 and the Profit and Loss Account for the financial year ended on that date along with the Report of Directors and the Auditors thereon.
2. To appoint Director in the place of Sri K.Raghava Reddy, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Director in the place Sri S.Radha Krishnan, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint G.L. Kothari & Co, Chartered Accountants Bangalore, as Statutory Auditor of the Company to hold the office as such from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix the 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 Sri G.Nityanad who was appointed as an Additional Director of the company w.e.f 19.05.2010 , holds office till the commencement of this Annual General Meeting and in respect of whom the company has received a notice in writing from a shareholder proposing his candidature for the office of Director, be and is hereby appointed as a Director of the company whose period of office shall be liable to determination by retirement of Directors by rotation.”

BY THE ORDER OF THE BOARD

B.S. RAJU

WHOLE TIME DIRECTOR

Place : Bangalore
Date : 05.09.2010

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND TO VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be received at the Company's Registered Office not less than 48 hours before the meeting.
2. The Register of Members and the Share Transfer Books will remain closed from 23rd September, 2010 to 25th September, 2010 (both days inclusive).
3. Members / Proxies are requested to bring their copies of Annual Report with them for the Annual General Meeting and the attendance slip duly filled in for attending the Meeting. No copies of the Annual Report will be distributed at the meeting.
4. Members are requested to quote their Registered Folio No on all correspondence with the Company.
5. Members are requested to send all communication relating to shares to the Company's Share Transfer Agents (Physical) at Alpha Systems Private Limited., 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram Bangalore.
6. The information pursuant to Clause 49 of the Listing Agreement with respect to the details of the Directors seeking appointment / re-appointment in this Annual General Meeting is annexed.

**EXPLANATORY STATEMENT
(Pursuant to section 173(2) of the Companies Act 1956)**

Item No. 5

Mr. G.Nityanand was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 19th May, 2010 Pursuant to Section 260 of the Companies Act, 1956, Mr. G.Nityanand holds office only up to the commencement of the ensuing Annual General Meeting. As required under Section 257 of the said Act, notice has been received from a member along with deposit of Rs. 500/- signifying his intention to propose Mr. G.Nityanand as a candidate for the office of Director.

The Board of Directors recommended the resolution for shareholders approval. None of the directors were interest or concerned except Mr. G.Nityanand.

The profile of the said director is annexed hereto under the head "Additional Information "



NOVA GRANITES (INDIA) LIMITED

ADDITIONAL INFORMATION (pursuant to Clause 49 IV (G) of the Listing Agreement)

SRI G.NITYANAND is a graduate of commerce and has vast experience in the field of accounts and finance. His services are considered to be useful to the Company in various aspects.

He is Director in the following Companies :

1. MR Avenues Private Limited,
2. NS Infrastructure Private Limited.

Shareholding in the Company: Nil

SRI K. RAGHAVA REDDY – Holds a masters degree in Science . He has vast experience and expertise in Natural Stone Industry. He is considered as one of the most knowledgeable persons in Natural Stone Industry. He has contributed his services both to the Company as well as Natural Stone industry in the following areas:

- Worked with Best Geologists of South Asia, South East Asia, North Africa, Australia, North America, South America, Turkey, Greece and East Europe, in mapping and exploration of new stone types.
- Had his first training in Mechanized Mining Operation at Domodossala area of North Italy. Introduced some of the best Quarrying Systems and methods in India as early as 1981 – 82 including Planning and Safety measures in the mines.
- Has set up one of the earliest factories with innovative processing methods.
- Has established A.P.Granite Association, and served as National Executive Member of All India Granite Stone Association, for a long time.
- Traveled to many parts of the world either for exploration of natural stone or for promotion.

Shareholding in the Company: Nil

Annual Report 2009- 2010

He is director in the following Companies :

S. No.	Name of the Company	Director	Committee
1.	Midwest Granite Private Limited	Managing Director	Nil
2.	Beml Midwest Ltd.	Director	Nil
3.	Reliance Granite Private Limited	Director	Nil
4.	Victorian Granites Private Limited	Director/	Nil
5.	Opusasia Technologies Private Limited	Director	Nil
6.	DSK Hospitality Private Limited	Director	Nil
7.	Ongole Mineral Exports Private Limited	Director	Nil
8.	RLP Granite Private Limited	Director	Nil
9.	Reliance Diamond Tools Private Limited (Sri Lanka)	Director	Nil
10.	South Asia Granite & Marble Private Limited(Sri Lanka)	Director	Nil
11.	Andhra Pradesh Granite (Midwest) Private Limited	Director	Nil
12.	Midwest Holding Limited (Isle of Man)	Director	Nil
13.	Cosmo India Infracon Private Limited	Director	Nil
14.	S.C.R. Agro Tech Private Limited	Director	Nil
15.	Midwest Oil Private Limited	Director	Nil
16.	Midwest Mining Private Limited	Director	Nil

SRI S.RADHA KRISHNAN is a Diploma holder in engineering and having vast experience in the filed of mining machinery industry. He is considered as one of the best experts and technically sound person in the Country in the mining machinery installation and maintenance.The Board considers the knowledge and experience of Sri S.Radha Krishnan , as invaluable use for the Company.

He is the Managing Director of Manjal Granite and Marble Private Limited.

Shareholding in the Company: NIL



DIRECTORS' REPORT

Your Directors have pleasure in presenting the TWENTIETH ANNUAL REPORT together with the Audited Accounts of the company for the financial year ended 31st March, 2010.

FINANCIAL HIGHLIGHTS:

The performance of the company for the financial year ended 31st March 2010 is summarized below.

(Rupees In Lakhs)

PARTICULARS	2009-10	2008-09
Gross Revenue	69.71	284.58
Total Expenditure	126.82	649.08
Profit/(Loss) before Financial Charges,		
Depreciation and Taxation	-119.98	-364.5
Less : Financial Charges	0.59	35.1
Depreciation	6.25	30.91
Profit/(Loss) before Tax (PBT)	-57.11	-430.51
Less/Add: Profit/ loss on sale / discarding of Fixed Assets	1.67	0.23
Less : (Income Tax)	0.00	0.04
Add: Provision for Fringe Benefit Tax	0.00	0.78
Add: Provision for Deferred Tax Liability / (Asset)	11.19	132.67
Profit/(Loss) after Tax	-69.97	-564.23
Add : Balance brought forward from previous year	-1270.75	-706.49
Balance carried to Balance Sheet	-1340.72	-1270.72

PERFORMANCE

Your Company achieved a Turnover of Rs. 69.71 Lacs when compared to Rs 284.58 lacs during the previous year. The operations of the Company resulted in a loss of Rs.57.11 lacs when compared to Rs.430.51 lacs before taxes during the previous year.

The major cause for the huge loss is on account of the high cost of goods sold, The Board is striving hard to improve the performance of the Company.

FUTURE OUTLOOK:

The management has done well to ensure sustain operations. However, due to high cost and expenditure, the operations resulted in Loss. Efforts are being made to reduce the costs involved.

The members have approved the change of name to Midwest Gold Limited and amendment of main objects clauses through postal ballot to expand and diversify the business operations of the company and enter into projects relating to gold and precious metals, in view of the growth opportunities in the said field and filed necessary documents with Registrar of Companies, Bangalore to effect the change of name.

The members of the Company have also decided through postal ballot to shift the Registered Office of the Company subject to the approval of Company Law Board from the state of Karnataka to the State of Andhra Pradesh for carrying out the business activities in a more economic manner with better control , co ordination and execution of works.

The Management is also looking at breaking even in the ensuing financial year.

DIVIDEND:

Your Directors do not recommend any dividend for the financial year 2009-2010, in view of the accumulated losses.

FIXED DEPOSITS:

The company has neither accepted nor renewed any deposits falling within the provisions of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975 from the public during the financial year.

DIRECTORS:

Sri G.Nityanand was appointed as Additional Director by the Board of Directors in the meeting held on 19th May, 2010. As per the provisions of Section 260 of the Companies Act, 1956 the term of office of Sri G.Nityanand to be expired at the commencement of the ensuing Annual General Meeting. The Company has received notice in writing, proposing his appointment as Director of the Company. The relevant resolution proposing his appointment as Director is included in the Notice of the Annual General Meeting for your approval.

Further Sri K.Raghava Reddy and Sri S Radhakrishnan , directors are retiring at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

AUDITORS:

M/s. G.L. Kothari & Co. Chartered Accountants, Bangalore, the Statutory Auditors of the company retire at the conclusion of ensuing Annual General Meeting & being eligible, offer themselves for re-appointment. They have furnished a certificate stating that their re-appointment, if made, will be within the limits laid down under Section 224(1B) of the Companies Act, 1956.

The Board recommends their appointment as the Statutory Auditor of the Company.



PARTICULARS OF EMPLOYEES:

There are no employees whose particulars are required to be furnished under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of employees) Rules, 1975, and as amended from time to time as remuneration, none of the employees is in excess of Rs.2,00,000/- per month, if employed for the part of year or Rs.24,00,000/- per annum during the financial year 2009-10 .

DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors of your Company hereby report:

- (i) that in the preparation of Annual Accounts for the financial year ended 31st March, 2010, the applicable accounting standards have been followed along with the proper explanation relating to material departures, if any, there from;
- (ii) that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (iii) that the directors have 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;
- (iv) that the directors have prepared the annual accounts on a going concern basis.

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

The details regarding Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo as required by section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of the particulars in the report of the Board of Directors) Rules, 1988 are given as Annexure A and forms part of this report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report, pursuant to Clause 49 of the Listing Agreement forms part of this Report and is annexed hereto.

CORPORATE GOVERNANCE:

The Company has implemented the procedures and adopted practices in conformity with the Code of Corporate Governance enunciated in Clause 49 of the Listing Agreement with the Stock Exchanges. A separate report on Corporate Governance is annexed herewith, as a part of the Annual Report along with the Auditor's Certificate on its compliance.

COMPLIANCE CERTIFICATE

The Company has obtained Compliance Certificate for the financial year 2009-10, pursuant to the provisions of Section 383A of the Companies Act, 1956 from a qualified Company Secretary in whole time practice. A copy of the same is attached to this report.

LISTING:

Your Company's shares are presently listed on the Stock Exchanges of Bombay, Bangalore, Ahmadabad, and Delhi.

ACKNOWLEDGEMENTS:

The Board of Directors would like to place on record its appreciation towards all the employees & the managerial personnel of the company for their contribution in the operations of the company during the year under review. The Directors would also like to record their sincere thanks to the Company's bankers, Central and State Government officials, customers, vendors and the shareholders for their continued support and co-operation.

BY THE ORDER OF THE BOARD
For NOVA GRANITES (INDIA) LIMITED

P.K. Tyagi
Director

B.S. RAJU
Whole Time Director

Place: Bangalore
Date : 05.09.2010



INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956, READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

A. CONSERVATION OF ENERGY :

- i. The Operations of the Company require extensive use of power and the company is supplementing its power requirement by use of generators installed in the Factory.
- ii. The Company has not made any additional investments and has not proposed any amount for reduction of consumption of energy.
- iii. There is no impact of the measures at (i) and (ii) above for reduction of energy consumption and consequent impact on the cost of production of goods.
- iv. Disclosure under Form A is not applicable to the Company.

B. TECHNOLOGY ABSORPTION :

FORM B

(Disclosure of particulars with respect to technology Absorption)

- i) Research and Development (R & D) :
 - Specific areas in which R & D carried out by the Company : NIL
 - Benefits derived as a result of the above : NIL
 - Future plan of action : NIL
 - Expenditure on R & D : NIL
- ii) Technology absorption, adaptation and innovation : NIL

C) FOREIGN EXCHANGE EARNINGS AND OUTGO :

Foreign Exchange earnings and outgo: Rs in Lacs
(on receipts and payments basis)

Particulars	2009-2010	2008-2009
Foreign Exchange Earnings	19.98	32.43
Foreign Exchange Outgo	0.00	5.81

BY THE ORDER OF THE BOARD
For NOVA GRANITES (INDIA) LIMITED

P.K. Tyagi
Director

B.S.Raju
Whole Time Director

Place:Bangalore
Date : 05.09.2010

COMPLIANCE CERTIFICATE

Registration Number : 08-011396
Authorised capital : Rs.20,00,00,000/-
Paid up capital : Rs. 3,27,00,000/-

To
The Members of
Nova Granites (India) Limited.

I have examined the Registers, Records, Books and papers of M/s Nova Granites (India) 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 my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents. I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities prescribed under the Act and rules made there under.
3. The Company being a public limited Company, the provisions of Section 3 (1) (iii) (b), (c) and (d) are not applicable to the Company.
4. The Board of Directors duly met Seven times respectively on 30.04.2009, 15.07.2009, 01.09.2009, 29.10.2009, 18.12.2009, 29.01.2010 and 31.03.2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from 23rd September, 2009 to 25th September 2009 (Both days inclusive) during the financial year.
6. The Annual General Meeting for the financial year ended on 31.03.2009 was held on 29.09.2009 after giving due notice to the members of the Company 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.



NOVA GRANITES (INDIA) LIMITED

8. As per the explanations and clarifications provided, the Company has not advanced loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. As per the explanations and clarifications given, the Company has not entered into fresh contracts falling within the purview of section 297 of the Act during the year. However the transactions entered with the related parties for which the prices are at prevailing market prices.
10. The Company has made necessary entries in the register maintained under section 301 of the Act, and the entries are duly recorded therein.
11. As per the explanations and clarifications provided by the management there were no instances falling within the purview of section 314 of the Act, and accordingly the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company :
 - i. Has duly delivered all the certificates on lodgment thereof for transfer / transmission of securities or any other purpose in accordance with the provisions of the Act. during the year.
 - ii. Has not deposited any amount in separate Bank Account as no dividend was declared during the financial year.
 - iii. Was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
 - iv. Has not transferred the amounts in unpaid dividend account, application money due for refund, matured debentures, matured deposits and the interest accrued thereon which have remained unclaimed or unpaid for a period of Seven years to Investor Education and Protection Fund – No such cases
 - v. Has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and there were no appointments during the financial year.
15. The Company has complied with the provisions of section 269 read with Schedule XIII with regard to the appointment of Managing Director/Whole time Director/ Manager.

16. The Company has not appointed any sole selling agents during the financial year.
17. As per the clarifications and explanations received, the Company is not required to obtain approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies or such other authorities as prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and rules made thereunder.
19. The Company has not allotted any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the right to dividend, right 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 during the financial year.
24. The Company has not borrowed any monies from the directors, members, banks during the financial year.
25. Audit Committee has been duly constituted pursuant to Section 292A of Companies Act 1956.
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 objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital during the year under scrutiny.



NOVA GRANITES (INDIA) LIMITED

30. The Company has not altered its Articles of Association during the year under scrutiny.
31. There was no prosecution initiated against or show cause notices received by the Company during the year. However the Company has paid compounding amount imposed by Company Law Board, Chennai during the financial year, for compounding of offences under section 162 and 220 of the Companies Act, 1956 for delay in filing of the Annual Returns and Balance Sheets for the financial years 2005-06 and 2006-2007.
32. As per the explanations and clarifications provided, the Company has not received any money as security from its employees during the year.
33. The Company has not constituted any provident fund Trust for its employees pursuant to the provisions of Section 418 of the Act.

Place: Bangalore

Date: 05.09.2010

Name	:	Gopal Dhanaji Practicing Company Secretary
C.P No.	:	8415
A.C.S No.	:	23226

Name of the Company : Nova Granites (India) Limited.
Registration Number : 08-011396

Annexure – A

Statutory Registers as maintained by the Company

1. Register of Charges U/s 143
2. Register of Members U/s150
3. Minute Books of Board Meetings and
4. Minute Books of General Meetings U/s 193
5. Register of particulars of contracts in which Directors are interested U/s 301
6. Register of Directors, Managing Director, Manager and Secretary U/s 303
7. Register of Directors Shareholding U/s 307

Place: Bangalore
Date: 05.09.2010

Name : Gopal Dhanaji
Practicing Company Secretary
C.P No. : 8415
A.C.S No. : 23226



NOVA GRANITES (INDIA) LIMITED

Name of the Company : Nova Granites (India) Limited.
Registration Number : 08-011396

Annexure – B

Forms and Returns as filed by the Company with Registrar of Companies during the financial year ending 31st March 2010.

SL No/	Form No Return	Under Section	Description	Date of filing	Whether filed with in prescribed Time Yes/No	If delay in filing whether requisite Additional fee paid Yes/No.
1.	Sch VI	220	Annual Reports for the year 2008-2009	31.12.09	No	Yes
2.	Sch V	159	Annual Return for the Year 2008-2009	31.12.09	No	Yes
3.	Form 66	383A	Compliance Certificate	26.12.09	No	Yes
4.	Form 21	162 /220	Filing of Compounding Order with Registrar of Companies	03.10.09	Yes	N.A
5.	Form 32	307	Appointment of director	10.12.09	No	Yes
6.	Form 25C	269	Appointment of Whole Time Director	10.12.09	No	Yes
7.	Form 8	125	Creation of Charge	19.01.10	Yes	N.A

Place: Bangalore
Date: 01.09.2009

Name : **Gopal Dhanaji**
Practicing Company Secretary
C.P No. : 8415
A.C.S No. : 23226

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW :

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, guidelines issued by the Securities and Exchange Board of India (SEBI) and other statutory requirements. Our Management accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner the form and substance of transactions and reasonably present our state of affairs, profits and cash flows for the year.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS:

The products of the Company have a very costly and competitive in domestic as well as in overseas markets, which is confined to some rich countries only, coupled with that the demand for gold is heading scarce material globally. The competition in the International market has also increased to an alarming proportion. The company being aware of these fast developing scenario is constantly striving to come up with suitable technological innovations and investments.

Further your Company has identified new line of business activity of exploration of gold and other precious metals , acquisition of gold mines in India as well as overseas such as South Africa, Zimbabwe where huge resources available for gold , precious metals and other minerals. The Company will also enter into oil , gas and power sectors in India as well as overseas

The Company has the mechanism to combat the risks of exposure to Business, Assets and Financial Risks in the form of competition, accidents, natural calamities, obsolescence, fluctuations in foreign currency etc. The management of your company is on constant vigil to combat any eventuality that may pose threat to the company's business.

SEGEMENT-WISE PERFORMANCE:

The Company has only one reportable business segment and hence no further disclosure is required under Accounting Standard 17 on Segment Reporting.

INTERNAL CONROL SYSTEMS AND THEIR ADEQUACY :

The philosophy we have with regard to internal control systems and their adequacy has been formulation of effective systems and their strict implementation to ensure that assets and interests of the Company are safeguarded; checks and balances are in place to determine the accuracy and reliability of accounting data. The Company has a well defined organization structure with clear functional authority, limits for approval of all transactions. The Company has a strong reporting system, which evaluates and forewarns



NOVA GRANITES (INDIA) LIMITED

the management on issues related to compliance. Company updates its internal control system from time to time, enabling it to monitor employee adherence to internal procedures and external regulatory guidelines.

FINANCIAL PERFORMANCE & OUTLOOK :

Your Company achieved a Turnover of Rs. 69.71 Lacs when compared to Rs 284.58 lacs during the previous year. The operations of the Company resulted in a loss of Rs.57.11 lacs when compared to Rs.430.51 lacs before taxes during the previous year.

The major cause for the huge loss is on account of the high cost of goods sold, The Board is striving hard to improve the performance of the Company.

The management has done well to ensure sustain operations. However, due to high cost and expenditure, the operations resulted in Loss. Efforts are being made to reduce the costs involved. Further the Company has decided to enter into the exploration , mining of gold and other precious metals, oil , gas and power sector. The Management is also looking at breaking even in the ensuing financial year.

PERSONNEL :

Human wealth is the ultimate wealth in for any industry. The Company recognizes this fact and understands that employees are one of the most important sources for sustained growth of any business. Quality personnel delivering their optimum potential for the organization is the key differentiator. The Company maintained good relations with its employees and there was no unrest in the Company at any point of time.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY’S PHILOSOPHY ON THE CODE OF GOVERNANCE

The Company believes in transparency, empowerment, accountability and integrity in its operations duly delegated authority to various functional heads who are responsible for attaining the corporate plans with the ultimate purpose of enhancement of “Stake holder value”.

Moreover, the Company believes that sound Corporate Governance practices provide an important platform to assist the management and the Board in delivering its responsibilities. The Company has always been taking the spirit of various legislations as guiding principles and has done well beyond simple statutory compliance. The Board of directors of the company have responsibility of protecting the long term interests of all the stakeholders, while adhering to sound principles of corporate governance.

The Company has professionals on its Board of Directors who are actively involved in the deliberations of the Board on all important policy matters.

2. BOARD OF DIRECTORS

During the Financial year ended 31st March, 2010, Board of Directors met 7 times as mentioned below and gap between two Board meetings did not exceed four months. None of the Directors on the Board is a member in more than 10 committees and none of them act as Chairman of more than five committees across all companies in which he is a Director.

30.04.2009	17.07.2009	01.09.2009	29.10.2009	18.12.2009	29.01.2010	28.03.2010
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The attendance at the Board Meetings conducted during the 12 months period ended 31st March, 2010 and at the Annual General Meeting as also the number of Directorships and committee memberships (other than Nova Granites (India) Limited) are given below:

Name of Director	Category	Designation	No. of Board Meetings Attended	Attendance at previous AGM	No. of Memberships in other companies (excluding private limited Companies) Boards Committees	
K. Raghava Reddy	Promoter & Non-Executive	Director	6	No	1	--
*M. Aja Babu	Non-Executive	Director	6	No	1	--
P.K.Tyagi	Promoter & Non-Executive	Director	7	Yes	--	--
P. Harinadha Babu	Non-Executive, Independent	Director	7	Yes	1	--
*G. Susheel	Non-Executive, Independent	Director	5	Yes	--	--
S. Radhakrishnan	Non-Executive, Independent	Director	5	No	--	--
B S Raju	Whole Time Director	Whole Time Non-Executive	7	yes	--	--
** G.Nityanad	Non-Executive, Independent	Non-Executive Independent	N.A	N.A	N.A	N.A

* Both Directors are resigned on 01.04.2010.

** Appointed as independent director w.e.f 19.05.2010.



3. AUDIT COMMITTEE

The Committee purely consists of 3 independent and Non-Executive Directors, which provides assistance to the Board of Directors in fulfilling its oversight responsibilities. The Audit committee has been entrusted with the responsibilities as laid down under Clause 49 of the Listing Agreement, to the extent applicable and required.

Composition:

Shri G. Susheel	-	Chairman
Shri S. Radhakrishnan	-	Member
Shri P. Harinadha Babu	-	Member

The audit Committee has been re constituted with new composition as follows after resignation of Shri G.Susheel as follows :

Shri S. Radhakrishnan	-	Chairman
Shri P. Harinadha Babu	-	Member
Shri B.S.Raju	-	Member

Further the audit Committee has been reconstituted with the following new composition w.e.f 19.05.2010 :

Shri G.Nityanand	-	Chairman
Shri S. Radhakrishnan	-	Member
Shri P. Harinadha Babu	-	Member

The terms of reference as per Clause 49 of the Listing Agreement are as follows

- a. To review the results and announcement and the report and accounts at the end of a quarter, half year and the full year before submission to the board, focusing particularly on:
 - (i) Any changes in accounting policies and practices.
 - (ii) Compliance with accepted accounting standards.
 - (iii) Compliance with the Listing and other Legal requirements
 - (iii) Major Judgmental Decisions; etc.
- b. To consider appointment of Statutory Auditors, the Audit Fee, and any matter of resignation and dismissal.
- c. To discuss with the statutory Auditor, before the audit commences, the nature and scope of the Audit.

- d. To discuss problems and reservations arising from the statutory audit, and any matters the statutory auditor may wish to discuss.
- e. To consider other matters as may be delegated by the Board from time to time.

Powers of Audit Committee:

- To investigate any activity within its terms of reference.
- To seek information from any employee
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

Meetings during the year :

During the Financial year ended 31st March, 2010, the Audit Committee met 5 times as follows, and all the members were present in each of such meetings.

30.04.2009	15.07.2009	01.09.2009	29.10.2009	29.01.2010
------------	------------	------------	------------	------------

The Company continued to derive immense benefit from the deliberations of the Audit Committee. Shri G Susheel, who headed the Audit Committee as Chairman has rich experience and knowledge in Finance, and Accounts. The members always added value for the Company. Minutes of each Audit Committee are placed before the Board and discussed in the meeting

4. REMUNERATION COMMITTEE

Terms of Reference:

The terms of reference as per Clause 49 of the Listing Agreement is to determine and review the remuneration, performance, and related bonuses of Executive Director(s), if any.

Composition

During the year remuneration committee was reconstituted with following directors :

Shri S. Radhakrishnan	-	Chairman
Shri G.Susheel	-	Member (Resigned on 01.04.2010)
Shri P. Harinadha Babu	-	Member
Shri G.Nityanand	-	Member (W.e.f 19.05.2010)



Remuneration paid to Directors during the Financial year 2009 -2010 :

Executive Directors : NIL

Non - Executive Directors : NIL

No meeting of the remuneration committee was held during the financial year 2009-2010 since there was no remuneration paid to any director.

Shareholding of Non-Executive Director:

None of the Non-Executive Directors of the Company holds any shares in the Company.

5. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

Brief description of terms of reference:

The Committee focuses on shareholders' grievances and strengthening of investor relations. The committee looks after the services of the Registrars and share transfer agents and recommends measures for providing efficient services to investors.

The Committee specifically looks into investor complaints like Transfer/ transmission/ transposition of shares, non receipt of Annual Report, non – receipt of dividend, and other related issues.

Composition

The committee consists of the following directors :

Shri S. Radhakrishnan - Chairman

Shri B.S.Raju - Member

Shri P.Harinadha Babu - Member

One Complaint was received during the year and it was resolved within the time stipulated period. There are no outstanding complaints as on 31st March 2010.

6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

A Report of the Management Discussion and Analysis is attached as part of the Annual Report.

7. GENERAL BODY MEETINGS:

Venue and time where the last three AGMs held:

Year	AGM	Venue	Day & Date	Time
2007	17th	25-A, Attibele Industrial Area Attibele, 562 107 Bangalore district	Friday, 28th September, 2007	10:30 A.M
2008	18th	25-A, Attibele Industrial Area Attibele, 562 107 Bangalore district	Tuesday, 30th September, 2008	10:30 A.M
2009	19th	25-A, Attibele Industrial Area Attibele, 562 107 Bangalore district	Tuesday, 29th September, 2009	10:30 A.M

Special Resolutions:

No Special Resolutions have been passed in the previous 3 AGM's.

Postal ballot:

There were no items of business transacted by way of Postal Ballot during the financial year 2009-10. However after the closure of the financial year , the shareholders of the Company passed five special resolutions through postal ballot. Detailed procedure followed by the Company is provided hereunder:

The Board of Directors of the Company (" Board") in its meeting held on 19th May, 2010 , sought the approval of the shareholders through postal ballot for the following five items as special resolutions:

Item No. 1

Special Resolution under Section 16, 17 of the Companies Act, 1956 for amendment of Main Objects Clause III (A) of the Memorandum of Association of the Company by inserting Sub Clauses 3 & 4 after the existing Clause III (A) 2 relating to insertion of gold and other precious metals objects,

Item No. 2

Special Resolution under Section 16, 17 of the Companies Act, 1956 for amendment of amendment of Other Objects Clause by inserting Sub Clauses 9 & 10 after existing Clause III (C) 8 relating to insertion of oil and power objects.



NOVA GRANITES (INDIA) LIMITED

Item No. 3

Special Resolution under Section 149 (2A) of the Companies Act, 1956 for commencement of business in the newly inserted sub Clause 9 & 10 in other object clause of the memorandum of Association of the company relating to oil and power sector.

Item No. 4

Special resolution under section 21 of the Companies Act, 1956 for changing the name of the company to Midwest Gold Limited.

Item No. 5

Special Resolution under Section 146 (2) Companies Act, 1956 for shifting the registered office of the company from the state of Karnataka to the state of Andhra Pradesh

2. The Notice of the Postal Ballot dated 19th May, 2010 ,Postal Ballot form and self-addressed pre-paid postage envelope were sent to the shareholders. The last date for receipt of the Postal Ballot form from the Shareholders was 2nd July, 2010 .
3. Mr. P.S.Rao , Company Secretary in Practice, Hyderabad submitted his report dated July, 03, 2010 to the Company and based on the said report, results of Postal Ballot were declared on 3rd July, 2010 as under:

Item No.	No. of valid ballots received	No. of invalid ballots received	Votes cast in favour	Votes cast against
1	9	Nil	2445495 (100%)	Nil
2	9	Nil	2445495 (100%)	Nil
3	9	Nil	2445495 (100%)	Nil
4	9	Nil	2445495 (100%)	Nil
5	9	Nil	2445495 (100%)	Nil

The Resolutions were approved by the overwhelming majority of the shareholders. The results were also informed to the Bombay Stock Exchange, other stock exchanges and Registrar of Companies, Bangalore .

8. DISCLOSURES :

Related Party Transaction (Shown in Notes to Accounts)

There are no materially significant related party transactions i.e., transactions material in nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc., having potential conflict with the interests of Company at large.

Penalties for non-compliance:

There were no penalties and 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:

Details of compliance with mandatory requirements and adoption of non-mandatory requirements of the clause

Pursuant to sub-clause VII of clause 49 of the listing agreement, the Company confirms that it has complied with all mandatory requirements prescribed.

C.E.O/C.F.O . Certification

Mr. P.K.Tyagi & Mr. B.S. Raju, Whole Time Director certified to the Board on the prescribed matters as required under Clause 49 of the Listing Agreement and the said Certificate was considered by the Board at its meeting held on 05.09.2010.

9. GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting :

Day, Date and time	:	30th September, 2010 (Thursday) at 10.30 a.m.
Venue	:	25-A Attibele Industrial Area Attibele -562 107 Bangalore district
Book Closure Date	:	23rd September 2010 to 25th September, 2010 (both days inclusive)
Dividend	:	No dividend is recommended for the year.
Listing on Stock Exchanges	:	The shares of the company are listed on : Bombay Stock Exchange Limited The Bangalore Stock Exchange Limited The Ahmedabad Stock Exchange Limited The Delhi Stock Exchange Ass. Limited



NOVA GRANITES (INDIA) LIMITED

Stock Code : BSE - 526570
BgSE- NVG
ASE- 41019
DSE - 6771

Market Price Data : **No Shares were traded on any of the exchange during the Year 2009-2010**

Registrars and Transfer Agents : Share Transfers & Communication regarding Share Certificates, Dividends & Change of Address may be sent to :

Alpha Systems Private Limited.,
30, Ramana Residency, 4th cross,
Sampige Road, Malleswaram Bangalore
Ph : 080-23460815 - 818
Fax :080-23460819

Share Transfer System :

The R & T Agent process the Physical Share Transfers and the Share Certificates are returned to the shareholder within a maximum period of 30 days from the date of receipt, subject to the documents being valid and complete in all respects.

Issue of Equity Shares : Nil

DISTRIBUTION OF HOLDINGS AS ON 31.03.2010

Shares holding of					
nominal value of		Share holders		Share Amount	
Rs.	P.	Number	% to Total	In Rs.	% to Total
(1)	(1)	(2)	(3)	(4)	(5)
Upto	5,000	6867	99.15	1431100	4.38
5,001 -	10,000	16	0.23	121910	0.37
10,001 -	20,000	10	0.14	140000	0.43
20,001 -	30,000	1	0.01	24000	0.07
30,001 -	40,000	1	0.01	36600	0.11
40,001 -	50,000	1	0.01	50000	0.15
50,001 -	1.00,000	9	0.13	651110	1.99
1,00,001	and above	21	0.30	30245280	92.49
Total		6926	100.00	32700000	100.00

Outstanding GDR's / ADR's / Warrant or any convertible instruments, conversion date and likely impact on Equity:

The Company has not issued any of these instruments till date.

Secretarial Audit:

A qualified practicing Company Secretary carries out Secretarial Audit every quarter to reconcile the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate total number of shares in physical form.

Address for correspondence :

Plant Location & Registered Office : 25-A Attibele Industrial Area
Attibele -562 107, Bangalore District

Corporate Office : 8-2-684/3/25&26, Road No.12,
Banjara Hills, Hyderabad,
Andhra Pradesh- 500 034.

Nomination Facility :

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company as permitted under Section 109A of the Companies Act, 1956 are requested to submit to the Company the prescribed Form 2B for this purpose.

Code of Conduct for the Board & Senior Management Personnel:

The Company has laid down a Code of Conduct which has been effectively adopted by the Board Members and Senior Management Personnel of the Company.

DECLARATION OF COMPLIANCE OF CODE OF CONDUCT

NOVA GRANITES (INDIA) LIMITED has adopted a Code of Business Conduct and Ethics (the Code) which applies to all the employees and Directors of the Company. Under the Code, it is the responsibility of all the employees and directors to familiarize themselves with the code and comply with its standards.

We hereby certify that the Board of Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year 2009-10.

P.K.Tyagi
Director

B.S. Raju
Whole Time Director

Place: Bangalore
Date: 05.09.2010

CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members,
NOVA GRANITES (INDIA) LIMITED
Bangalore

We have examined the compliance of conditions of corporate governance by NOVA GRANITES (INDIA) LIMITED for the year ended 31st March, 2010, as stipulated in clause 49 of the Listing Agreement of the Company with Stock Exchanges.

The compliance of the conditions of the corporate governance is the responsibility of the Management. Our examinations was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor expression of the opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate Governance as stipulated in the above mentioned listing agreement.

We state that no investor grievances were pending for a period exceeding one month against the Company as per the records maintained by the Company.

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

For G.L.Kothari & Co.
Chartered Accountants

G. L. Kothari
Proprietor
M. No. 25481

Place: Bangalore
Date : 05.09.2010



NOVA GRANITES (INDIA) LIMITED

AUDITORS' REPORT

To,
The Members of
NOVA GRANITES (INDIA) LIMITED

*We have audited the attached Balance sheet of **NOVA GRANITES (INDIA) LIMITED** as at 31st March 2010 and also the Profit & Loss account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.*

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

We report as follows:

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 paragraph 4 & 5 of the said order.
2. Further to our comments in the Annexure referred to above, we report that: -
 - a. We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our Audit.
 - b. In our opinion, the Company has kept proper books of accounts as required by Law so far as appears from our examination of such books.
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. In our Opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this Report comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.
 - e. On the basis of written representations received from all the Directors of the Company as on March 31, 2010 and taken on record by the Board of

Directors, we report that none of the Directors of the company are disqualified from being appointed as Directors of the Company under clause (g) of sub-section (1) of section 274 of Companies Act, 1956.

- f. Subject to the foregoing, in our opinion and to the best of our information & according to the explanation given to us, the said accounts read with the schedule to the notes (Schedule –“N”) give the information required by the Companies Act, 1956 in the manner so required and give a true & fair view in conformity with the Accounting principles generally accepted in India: -
- a. In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2010
- b. In the Case of the Profit & Loss Account, of the Loss for the year ended on that date: and
- c. In the case of Cash Flow Statement, of the cash Flows for the year ended on that date.

For G.L.KOTHARI & Co.,
CHARTERED ACCOUNTANTS
(Registration No.001445 S)

PLACE : Bangalore
DATE : 05/09/ 2010

G.L.KOTHARI
PROPRIETOR
M. No. 25481



**Annexure to the Auditors' Report
Referred to in paragraph 1 of our report**

1. In respect of Fixed Assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) A substantial portion of the fixed assets has been physically verified by the management during the year and in our opinion frequency of verification is not reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification. However, necessary records in support of the said statement have not been made available to us.
 - (c) The Company has not disposed off any substantial part of the fixed assets during the current year.

2. In respect of Inventories:
 - (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the books of account were not material and have been properly dealt with in the books of account.

3.
 - (a) According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to and from companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - (b) According to the information and explanations given to us, the company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to the purchase of inventory and fixed assets, and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956:
 - (a) According to the information and explanations given to us, we are of the opinion that the transaction that need to be entered in the register maintained u/s 301 of the Companies Act, 1956 have been entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions during the year made in pursuance of the contract or arrangements with the parties referred to in (a) above, and exceeding the value of Rs. 5.00 Lakhs in each case. The rates charged / paid were not comparable as no such transaction were made with any other party for such material.
6. In our opinion and according to the information and as per the explanations given to us, the Company has not accepted deposits from the public during the year under consideration and the Company Law Board has not passed any orders against the Company for any contravention under Sections 58A & 58AA of the Companies Act.
7. In our opinion, the Company does not have an internal audit system commensurate with the size and the nature of its business.
8. As informed to us, in respect of this Company, maintenance of cost records has not been prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956.
9. According to the records of the Company and information and explanations given to us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of above were in arrears, as at March 31, 2010 for a period of more than six months from the date on which they become payable.
10. According to the records of the Company, Income tax, Sales tax, Wealth Tax, Customs Duty, Excise Duty and cess, which have not been deposited on account of dispute, are given below.



NOVA GRANITES (INDIA) LIMITED

Nature of the Statute	Amount Unpaid (Rs in Lakhs)	Year to which it relates	Forum where dispute is pending
Custom Duty	15.01	2001-2002	Directorate General of Central Excise Intelligence.

11. The accumulated losses at the end of the financial year are more than 100% of its net worth. The company has incurred cash loss during current financial year 2009-10. The Company total paidup capital is Rs. 3,27,00,000/- against total accumulated losses of Rs. 13,40,72,867/-.
12. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions and banks.
13. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
14. In our opinion and according to the information and as per the explanations given to us, the provisions of any special statute applicable to chit funds are not applicable to the Company.
15. In our opinion and according to the information and as per the explanations given to us, the Company is not dealing in or trading in Shares, Securities, debentures and other investment.
16. In our opinion, the terms and conditions on which the Company has given guarantees for loans taken by others from banks or Financial Institutions are not prejudicial to the interest of the Company.
17. In our opinion and to the best of our information and as per the records of the Company, the Company had not borrowed any Term Loans during the year under consideration.
18. According to the Cash flow statement and records examined by us and according to the information and explanations given to us, on overall basis, funds raised on short term basis, prima facie, not been used during the year for long term investment and vice versa.
19. The Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained U/s 301 of the Companies Act, 1956.

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20. The Company has not issued any debentures during the year and therefore the question of creating security in respect there of does not arise.
21. The Company has not made any Public issues during the year and therefore the question of disclosing the end use of money does not arise.
22. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For G.L.KOTHARI & Co.,
CHARTERED ACCOUNTANTS
(Registration No.001445 S)

PLACE : Bangalore
DATE : 05 /09/ 2010

G.L.KOTHARI
PROPRIETOR
M. No. 25481

**NOVA GRANITES (INDIA) LIMITED****BALANCE SHEET AS ON 31-03-2010**

(Amount in Rupees)

Particulars	Sch No	As at 31-03-10		As at 31-03-09	
I. SOURCES OF FUNDS:					
Share Holders' Funds:					
Share Capital	A	32,700,000		32,700,000	
Reserves & Surplus	B	<u>38,014,360</u>	70,714,360	<u>38,014,360</u>	70,714,360
2. LOAN FUNDS					
Secured Loans		-		-	
Unsecured Loans		<u>-</u>	-	<u>-</u>	-
3. DEFERRED TAX LIABILITY					
			<u>34,523,755</u>		<u>33,405,088</u>
TOTAL			<u>105,238,115</u>		<u>104,119,448</u>
1. FIXED ASSETS					
Gross Block	C	162,268,354		160,499,967	
Less: Depreciation		<u>104,834,952</u>		<u>108,412,050</u>	
Net Block		57,433,402		52,087,917	
Add :Capital Work in Progress			<u>57,433,402</u>	<u>6,599,632</u>	58,687,549
2. LOANS AND ADVANCES					
Inventories	D	16,978,508		20,557,342	
Sundry Debtors	E	45,377,419		49,116,054	
Cash & Bank Balances	F	812,160		483,619	
Loans & Advances	G	<u>11,213,298</u>		<u>10,871,706</u>	
		74,381,385		81,028,721	
Less: Current Liabilities & Provisions	H	<u>160,649,539</u>		<u>162,672,342</u>	
Net Current Assets			(86,268,154)		(81,643,621)
3. PROFIT & LOSS ACCOUNT					
			<u>134,072,867</u>		<u>127,075,520</u>
TOTAL			<u>105,238,115</u>		<u>104,119,448</u>

Significant Accounting Policies & N**Notes to accounts****(Schedules A to N form part of Accounts)**

As per Our Report of Even Date Attached

For G.L.Kothari & Co.,
Chartered Accountants,

For & on behalf of the Board of Directors

G.L.Kothari
Proprietor.
M. No. 25481
Place : Bangalore
Date : 05.09.20010P K Tyagi
DirectorB.S.Raju
Whole Time Director

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PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31.03.2010

Particulars	Sch No	As on 31-03-10	As on 31-03-09
I. INCOME:			
Sales	I	6,389,323	27,725,276
Other Income	J	581,841	732,738
		<u>6,971,164</u>	<u>28,458,014</u>
II. EXPENDITURE			
Cost of Goods Sold	K	7,327,083	51,171,201
Administrative & Other Expenses	L	4,671,335	13,735,895
Finance Charges	M	59,279	3,510,083
Depreciation	C	624,666	3,091,396
		<u>12,682,363</u>	<u>71,508,575</u>
Profit / -(Loss) for the year before extra-ordinary items		(5,711,199)	(43,050,561)
Less/Add: Profit /(Loss) on Sale/ Discardation of Fixed Assets		(167,481)	(23,339)
		(5,878,680)	(43,073,900)
Add: Income Tax		-	4,553
Add: Provision for Fringe Benefit Tax		-	78,357
Add: Provision for Deferred Tax		1,118,667	13,267,657
Profit /(Loss) After Tax		(6,997,347)	(56,424,467)
Add/(Less): Balance in Profit & Loss A/c. as per last Balance Sheet		(127,075,520)	(70,651,053)
		<u>(134,072,867)</u>	<u>(127,075,520)</u>

Significant Accounting Policies

& Notes to Accounts

P

(Schedules A to P form part of Accounts)

As per Our Report of Even Date Attached

For G.L.Kothari & Co.,
Chartered Accountants,

For & on behalf of the Board of Directors

G.L.Kothari

Proprietor.

M. No. 25481

Place : Bangalore

Date : 05.09.20010

P K Tyagi

Director

B.S.Raju

Whole Time Director

**NOVA GRANITES (INDIA) LIMITED****SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010**

Particulars	As on 31-03-2010	As on 31-03-2009
SCHEDULE "A" - SHARE CAPITAL		
Authorised:		
2,00,00,000 Equity Shares of Rs. 10 /-Each	200,000,000	200,000,000
Issued, Subscribed and Paid up;		
32,70,000 Equity Shares of Rs.10/- each fully paid up	32,700,000	32,700,000
	32,700,000	32,700,000
SCHEDULE "B" - RESERVES & SURPLUS		
Capital Reserve	38,014,360	38,014,360
Represents the Reduction of Share Capital by Virtue of BIFR Order No. 39/99(11) Dated 11.11.03 which is not Available for Distribution of Dividends		
	38,014,360	38,014,360
SCHEDULE "D" - INVENTORIES (as verified, valued and Certified by the Management)		
Raw Materials	9,251,702	11,422,232
Finished Goods	5,122,604	6,506,069
Consumables, Stores and Spares	2,594,224	2,616,675
Packing Materials	9,978	12,366
	16,978,508	20,557,342
SCHEDULE "E" - SUNDRY DEBTORS (Unsecured, Considered Good)		
Debts Outstanding for a period exceeding six months	45,259,676	48,952,534
Others	117,743	163,520
	45,377,419	49,116,054
SCHEDULE "F" - CASH AND BANK BALANCES		
Cash in hand	262,234	45,001
Balances with Scheduled Banks in current accounts	549,926	438,618
	812,162	483,619

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010

Particulars	As on 31-03-2010	As on 31-03-2009
SCHEDULE "G" - LOANS AND ADVANCES		
(Unsecured, and Considered Good)		
Receivable in Cash or in Kind or for value to be received	7,819,250	7,475,467
Deposits	3,394,048	3,396,239
	11,213,298	10,871,706
SCHEDULE "H"		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors for Goods & Services	152,284,216	150,936,319
Sundry Creditors for Services	2,632,649	2,906,274
Other Liabilities	697,348	4,839,062
Advance received from Customers	5,035,326	3,990,687
	160,649,539	162,672,342



NOVA GRANITES (INDIA) LIMITED

SCHEDULE - C - FIXED ASSETS

Particulars	(Amount in Rupees)											
	Gross Block					Depreciation					Net Block	
	As on 01.04.09	Additions/ During the year	Deletions During the year	As at 31.03.10	As at 01.04.2009	for the Year	Written Back	As at 31.03.2010	As at 31.03.2010	As at 31.3.2009		
Leasehold Land	10,037,981	-	-	10,037,981	-	-	-	-	10,037,981	10,037,981		
Freehold Quarry Land	1,017,637	-	-	1,017,637	722,844	50,882	-	773,726	243,911	294,793		
Building - Office	1,353,352	-	-	1,353,352	246,491	22,060	-	268,551	1,084,801	1,106,861		
Building - Factory	13,890,606	-	-	13,890,606	6,374,796	463,946	-	6,838,742	7,051,864	7,515,810		
Temporary Shed	35,010	-	-	35,010	35,010	-	-	35,010	-	-		
Plant & Machinery	128,205,346	6,637,632	3,035,450	131,807,528	96,110,504	-	3,035,450	93,075,054	38,732,474	32,094,842		
Office Equipments & Appliances	1,052,823	-	-	1,052,823	704,528	65,924	-	770,452	282,371	348,295		
Office Equipments & Appliances - Computer	732,826	-	-	732,826	732,826	-	-	732,826	-	-		
Furniture & Fixtures	957,481	-	-	957,481	935,627	21,854	-	957,481	-	21,854		
Vehicles	3,216,905	-	1,833,795	1,383,110	2,549,424	-	1,166,314	1,383,110	-	667,481		
TOTAL	160,499,967	6,637,632	4,869,245	162,268,354	108,412,050	624,666,4,201,764	104,834,952	57,433,402	52,087,917			
PREVIOUS YEAR	153,474,562	7,141,405	116,000	160,499,967	105,346,859	3,091,396	26,205	108,412,050	52,087,917			

**NOVA GRANITES (INDIA) LIMITED****SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT AS AT 31ST MARCH, 2010**

Particulars	As on 31-03-2010	As on 31-03-2009
SCHEDULE "I" SALES		
Export/Third Party Export Sales	3,504,107	26,543,862
Domestic Sales	2,885,216	1,181,414
	6,389,323	27,725,276
SCHEDULE "J" OTHER INCOME		
Interest on Time Deposit /Others	158,852	161,876
Fluctuation Gain / (Loss)	382,797	570,862
Excess provision for expenses written off	40,192	-
	581,841	732,738
SCHEDULE "K" - COST OF GOODS SOLD		
a. Raw Materials Consumed		
Opening Stock	11,422,232	11,717,503
Add : Purchases (Inclusive of freight & Dressing Charges)	-	-
	11,422,232	11,717,503
Less : Closing Stock	9,251,702	11,422,232
Consumption	2,170,530	295,271
b. Purchases of Granite/Marble Slabs & Tiles(Incl. of Freight)	3,740,082	300,245
c. Stores & Spares Consumed	9,015	197,146
d. Consumables Consumed	23,991	657,319
e. Finished Goods & Work-in-progress		
Add : Opening Stock		
- Finished Goods	6,506,069	47,758,150
- Work-in-progress	0	8,469,139
	6,506,069	56,227,289
Less : Closing Stock		
- Finished Goods	5,122,604	6,506,069
- Work-in-progress	-	-
	5,122,604	6,506,069
	1,383,465	49,721,220
Total (a+b+c+d+e)	7,327,083	51,171,201

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SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT AS AT 31ST MARCH, 2010

Particulars	As on 31-03-2010	As on 31-03-2009
SCHEDULE "L"		
ADMINISTRATIVE & OTHER EXPENSES		
Power, Fuel, Electricity & Water Charges	767,276	1,926,892
Salaries, Wages & Other Benefits to employees		
- Salaries, Wages & Bonus	652,615	2,685,227
- Contribution to ESI	-	1,533
- Contribution to PF	-	50,615
- Contribution to Group Gratuity	-	74,923
- Ex-gratia	-	783,600
- Gratuity Paid	-	13,000
- Medical Expenses of Labour Accident	-	992,233
- Staff & Labour Welfare	59,940	82,919
Repairs & Maintenance		
- Plant & Machinery	13,469	32,254
- Others	15,817	42,673
- Vehicle Maintenance	61,125	336,458
- Garden Maintenance	250	9,745
Rates & Taxes	192,550	114,957
Insurance	29,935	57,779
Travelling & Conveyance	59,907	200,999
Postage & Telecommunication Expenses	77,535	351,029
Legal & Professional Charges	440,550	176,109
Auditors Fees	82,725	82,725
Printing & Stationary Expenses	23,461	48,650
Export & Marketing Expenses	11,555	87,167
Clearing & Forwarding Expenses	38,960	238,533
Sample Expenses	2,000	-
Carriage Outwards	-	36,190
General Expenses	42,679	85,509
ESI on Earlier Years	-	133,950
Misc.debit balances written off	2	113,295
Expenses pertaining to previous year	27,116	231,586
Listing Fee	11,030	-
Quarry Lease Application fee	15,013	-
Slurry Shifting Charges	-	5,850
Sales Tax / Entry Tax	1,533,561	3,619,857
Packing Materials	89,483	586,618
Watch & Ward	422,781	533,020
	4,671,335	13,735,895



NOVA GRANITES (INDIA) LIMITED

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT AS AT 31ST MARCH, 2010

Particulars	As on 31-03-2010	As on 31-03-2009
SCHEDULE "M" - FINANCE CHARGES		
Interest on Working Capital Loan	-	101,236
Interest Others	10,426	3,233,668
Processing Fee	-	56,180
Bank Charges	48,853	118,999
	59,279	3,510,083

SCHEDULE "N"

ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2010.

A. SIGNIFICANT ACCOUNTING POLICIES

I The Accounts are prepared on a historical cost convention, all the expenses and income to the extent considered payable and receivable, unless stated otherwise, have been accounted for on accrual basis.

II FIXED ASSETS AND DEPRECIATION:

1. Fixed Assets are Stated at Cost less Depreciation.
2. Depreciation on all Assets, other than leasehold Land / free hold quarry Land is provided on straight line method in accordance with the provision of schedule XIV of the Companies Act, 1956.
3. Depreciation on Free Hold Quarry land has been provided taking economic life of the quarries on 20 Years. In case of abandoning a quarry the remaining book value will be written off in the year it is abandoned.
4. Depreciation on the Fixed Assets added during the year has been provided with reference to the date of acquisition thereof.

III VALUATION OF INVENTORIES ARE MADE AS UNDER

- | | |
|---------------------|---|
| 1. Raw Material | - At Cost (Weighted Average) |
| 2. Stores & Spares | - At Cost (FIFO) |
| 3. Consumables | - At Cost (FIFO) |
| 4. Work In Progress | - Lower of Cost or Estimated Realizable Value |
| 5. Finished Goods | - Lower of Cost or Net Realizable Value |
| 6. Stock in Trade | - Lower of Cost or Net Realizable Value |

IV SALES

1. Sales are accounted for on passing of title to the customers. Returns and rebates and discounts against goods sold are recognized as and when ascertained and deducted from sales of the respective year.

V MISCELLANEOUS EXPENDITURE

1. Preliminary & Public Issue Expenses:

Preliminary & Public Issue Expenses incurred by the Company will be charged to revenue on a deferred basis over a period of 10 Years on a Commencement of Commercial Production.



2. Quarry Development Expenditure:

Expenditure incurred on quarry development is treated as deferred revenue expenditure to be written off over a period of ten years after commencing regular quarrying Operation. In the event of abandoning the quarrying operation within the period of Ten Years, the Same shall be written off in that year.

VII TRANSACTIONS IN FOREIGN CURRENCY :

1. Foreign currency transactions are recorded on the basis of exchange rates prevailing on the date of their occurrence.
2. Foreign currency balances as on the Balance Sheet date are realigned in the accounts on the basis of exchange rates prevailing at the close of the year and exchange difference arising there from, is adjusted to the cost of fixed Assets or charged to the Profit and Loss Account, as the case may be.

VIII RETIREMENT BENEFITS FOR EMPLOYEES

IV EMPLOYEE BENEFITS

Defined Contribution Plan

The Company makes contribution towards Provident Fund and Employee State Insurance as a defined contribution retirement benefit fund for qualifying employees.

The Provident Fund plan is operated by the Regional Provident Fund Commissioner. Under this scheme, the Company is required to contribute a specified percentage of payroll cost, as per the statute, to the retirement benefit schemes to fund the benefits. Employee State Insurance is remitted to Employee State Insurance Corporation.

Defined Benefit Plan

For Defined Benefit Plan the cost of providing benefits is determined using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains or losses are recognized in full in the Profit and Loss Account for the period in which they occur .

(a) GRATUITY

Provision for Gratuity is made as determined actuarially under group gratuity scheme of Life Insurance Corporation of India(LIC)

(b) Leave Encashment Benefits

The Company extends benefits of leave to the employees while in service as well as on retirement.

Short Term Employee Benefits.

Short term employee benefits are recognized as expenses as per Companies scheme based on expected obligation

IX RESEARCH AND DEVELOPMENT EXPENDITURE

Research and development expenditure of revenue nature are charged to the Profit and Loss Account, while capital expenditure are added to Fixed Assets in the year in which they are incurred.

X CONTINGENCIES

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent and disclosed by way of Notes to Accounts

XI BORROWING COSTS

Borrowings costs incurred in relation to the acquisition, construction of assets are capitalized as part of the costs of such assets up to the date when such assets are ready for intended use. Other borrowing costs are charges as an expense in the year in which these are incurred.

XII TAXES ON INCOME

- a. Provision for Tax for current year has been made on the basis of estimated taxable income computed in accordance with the provisions as per Income Tax Act, 1961.
- b. Deferred Tax resulting from all timing differences between Book Profit and profit as per Income Tax Act, 1961 is accounted for, at the enacted rate of Tax, to the extent that the timing difference as expected to crystallize. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable profits will be available against which such deferred tax assets can be realized.



NOVA GRANITES (INDIA) LIMITED

B. NOTES ON ACCOUNTS:

1. Contingent Liability not provided for:

	Particulars	As at 31.03.2010 Rs. in Lakhs	As at 31.03.2009 Rs. in Lakhs
a.	Un expired Bank Guarantee	14.40	14.40
b.	Corporate Guarantee given by M/s.Midwest Granite Pvt Ltd in favor of President of India	175.00	175.00
c.	Bond in favor of President of India on account of Central Excise.	10.00	10.00
d.	Bond in favor of President of India on account of Custom	468.23	468.23
E	Custom Duty	13.54	13.54
f	Customs Duty (Refer Note No B-7)	15.01	15.01

2. The Company has received a Show Cause Notice from the Customs Department for a demand of Rs.13.54 Lakhs towards differential duty on DTA Clearances. The Company has deposited an amount of Rs. 13.54 Lakhs under protest and appealed before the Customs Authorities. Subsequently the company has received the Refund of the same against which the customs authorities have filed an Appeal.

3. The Company has received a Show Cause Notice from Customs Department towards differential duty under Notification No 2/95 Dated 1/4/95 to the tune of Rs.15.01 Lakhs. The company has decided to go for appeal against this at Appellate Tribunal.

4. AUDITORS FEE

	Particulars	At 31.03.2010 Rs. in Lakhs	At 31.03.2009 Rs. in Lakhs
a.	Audit Fee	0.60	0.60
b.	Tax Audit Fee	0.15	0.15
c.	Other Services	Nil	Nil
d.	Service Tax	0.09	0.09

5. Directors Remuneration : Rs . NIL (Previous year Rs. NIL)

6. Value of Imports on C.I.F. basis.

	Particulars	At 31.03.2010 Rs. In Lakhs	At 31.03.2009 Rs. In Lakhs
1	Raw Materials/Consumables, Stores & Spares	31.09	5.81
2	Capital Goods	Nil	Nil

7.	Foreign Currency Expenditure	Nil	0.40
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8. Earnings in Foreign Exchange

FOB Value of Exports	19.98	32.43
Exchange Fluctuation Gain / (Loss) Net	3.83	5.71

9. Sundry Debtors includes amount due from Company under the same management Rs. –Nil- (Previous year Rs. 7.97 Lakhs) maximum amount due at any time during the year Rs. –Nil-.

10. Secured Loans, Unsecured Loans, Sundry Creditors, Other liabilities, Sundry Debtors, Loans & Advances are subject to confirmation.

11. In the opinion of the management, the current assets, loans and advances are expected to realize at least the amount at which they are stated, if realized in the ordinary course of business and provision for all known liabilities have been adequately made in the accounts.

12. Sundry Creditors include Rs Nil (previous year Rs. Nil) pertaining to Small Scale Industrial Undertakings (SSI) to the extent such parties have been identified from the available information/documents. The name of SSI to whom the Company owes a sum exceeding Rs. 1 lakh and outstanding for more 30 days are - Nil. -



NOVA GRANITES (INDIA) LIMITED

13. EARNING PER SHARE

Earning Per Share is calculated by dividing the Profit attributable to the Equity Share Holders by weighted average number of equity shares outstanding during the year as under

	Year – 09-10 Rs. In Lakhs	Year - 08-09 Rs. In Lakhs
a) Amount used as the numerator in calculating the earnings per share	(69.97)	(564.24)
b) The weighted average number of equity shares used as denominator in calculating earnings per share.	327	327
c) Earning per share	Rs.(2.14)/-	Rs.(17.25)/-
d) Nominal Value of Equity Share	Rs.10/-	Rs.10/-

14. AS -15

The Company has not provided any details & workings for defined benefit plan which is required as per revised AS 15. In the absence of these details we could not report the quantum of expenses & provisions.

15. RELATED PARTY DISCLOSURES

Following disclosure has been made as per the requirements of Accounting Standard 18 on "Related Party Disclosures" (AS 18), issued by the Institute of Chartered Accountants of India

Name of the Related parties and description of their relationship:

- Key Managerial Personnel : Mr. K Raghava Reddy Director
: Mr. P.K. Taygi Director
: Mr. B.S. Raju Whole Time Director
- Associate Companies : Midwest Granite (P) Ltd
: Victorian Granites (P) Ltd
: Reliance Granite (P) Ltd
: RLP Granite (P) Ltd

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Related Party	Nature of Relationship	Transactions	Amount 2009-10 (Rs. in Lakhs)	Outstanding Balance as on 31.03.10 (Rs. in Lakhs)
Midwest Granite Pvt. Ltd	Holding Company	Sales	2.55	1082.11
Victorian Granites Pvt. Ltd	Associate Company	Sales/Purchase	Nil	341.02
Reliance Granite Pvt. Ltd	Associate Company	Sales/Purchase	Nil	2.58
RLP Granite Pvt. Ltd	Associate Company	Purchases	Nil	2.91

Note:

(a) There is no amount Written Off or Written back during the year in respect of debts due from or to related parties.

(b) There are no other entities where the control exists as defined in AS-18.

16. BUSINESS SEGMENTS

The Company has only one reportable business segment and geographical segment and hence no further disclosure is required under Accounting Standard 17 on Segment Reporting.

17. DEFERRED TAX

In accordance with Accounting Standard –22 “ Accounting for Taxes on Income” The Company has reviewed the deferred tax Assets and Liability at the end of the year. The net deferred tax liability is estimated to Rs.345.24 Lakhs(previous Year Rs. 334.05 lakhs.) The deferred tax liability is mainly on account of difference in carrying value of fixed assets between book figures and income tax records.

	At the end of the Current period Tax Liability/Asset
Deferred Tax Liability recognized for the Timing differences due to:	Rs. Lakhs
1) Difference in Depreciation as per books and as per Income tax Act 1961	119.42
2) Pre Paid Insurance Deferred Tax Asset recognized for the Timing differences due to:	0.03
1) Brought Forward Depreciation Loss	255.36
2) Brought Forward Business Loss	209.29
Net Deferred tax liability charged to Profit and Loss A/c	345.24



NOVA GRANITES (INDIA) LIMITED

18. In terms of Accounting standard 28- Impairment of Assets issued by ICAI, the Management has reviewed its fixed assets and the difference between the carrying amount and recoverable value of relevant assets was not material. Hence, provision for impairment loss is not considered necessary to be made in the books.
19. Amounts have been rounded off to the nearest Rupee.
20. Previous years figures have been rearranged / regrouped wherever necessary so as to correspond with current year's figures.
21. Schedule's "A" to "N" form an integral part of Balance Sheet and the Profit and Loss Account and have been duly authenticated.

As per Our Report of Even Date Attached

For G.L.Kothari & Co.,
Chartered Accountants,

For & on behalf of the Board of Directors

G.L.Kothari

Proprietor.

M. No. 25481

Place : Bangalore

Date : 05/09/ 2010

P K Tyagi

Director

B.S. Raju

Whole Time Director

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

Particulars	As on 31-03-2010	As on 31-03-2009
(A) CASH FLOW FROM OPEARTING ACTIVITIES		
Net profit/(Loss) before Tax and Extra ordinary Item	(57.11)	(430.51)
Add/(Less) Adjustment for :		
Depreciation	6.25	30.91
Interest Charges	0.10	33.35
Interest Received	(1.59)	(1.62)
Fluctuation Gain	(3.83)	(5.71)
Prior Period Expenses	0.27	2.31
Credit Balances and Excess provison written Back	0.40	0.00
Operating Profit Before Working Capital Changes	(55.51)	(371.27)
Adjustment for :		
Trade & Other Receivables	33.97	19.31
Inventories	35.79	501.63
Trade Payables	(20.23)	(24.95)
Adjustment in Provisions	0.00	(0.72)
Cash generated from Operations	(5.98)	124.00
Interest Paid	0.10	33.35
Net Cash From Operating Activites	(6.08)	90.65
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(0.38)	(71.41)
Sale of Fixed Assets	5.00	0.66
Income Tax	0.00	(0.04)
Interest Income	1.59	1.62
Fluctuation Gain	3.83	5.71
Prior Period Expenses	(0.27)	(2.31)
Credit Balances and Excess provison written Back	(0.40)	0.00
Decrease in Investment	0.00	0.00
Net Cash used in Investing Capital Activities	9.37	(65.77)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital & Share Application Money	-	-
Proceeds from long Term Borrowings	-	-
Repayment Of Borrowed Loan	0.00	0.20
Proceeds from Short Term Borrowings	0.00	24.58
Net Cash used in Financing Activities	0.00	24.78
Net increase in Cash & Cash equivalents (A+B+C)	3.29	0.10
Cash & Cash Equivalents as at (Opening Balance)	4.83	4.73
Cash & Cash Equivalents as at (Closing Balance)	8.12	4.83

For & on behalf of the Board of Directors

P K Tyagi
Director

B.S.Raju
Wholtime Director

AUDITORS CERTIFICATE

We have verified the above Cash Flow statement of NOVA GRANITES (INDIA) LIMITED, derived from the annual financial statements for the year ended March 31, 2010, and found the same to be drawn in accordance therewith and also with the requirements of clause 32 of the listing agreements with the Stock Exchange.

For G.L.Kothari & Co.,
Chartered Accountants,
(Registration No. : 001445S)

Place : Bangalore
Date : 05/09/ 2010

G.L.Kothari
Proprietor.
M. No. 25481



NOVA GRANITES (INDIA) LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956

A. Registration Details

Registration No:	11396	State Code:	08
Balance Sheet	Date: 31.03.2010		

B. Capital Raised during the Year (Amount in Rs. Thousand)

Public Issue: Nil	Right Issue:	Nil
Bonus Issue: Nil	Private Placements:	Nil

C. Position of Mobilization and deployment of Funds (Amount in Rs. Thousands)

TOTAL LIABILITIES	105238.115	TOTAL ASSETS	105238.115
Sources of Funds			
Application of Funds:			
Paid- Up Capital	32,700.00	Net Fixed Asset s:	57433.40
Reserve & Surplus	38,014.00	Investments:	0.00
Secured Loans	-	Net Current Asset	(86268.15)
Unsecured Loans	-	Accumulated Loses	134072.86
Deferred Tax	34523.75		

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

Turnover:	6971.164	Total Expenditure	12682.36
Profit/loss Before Tax	(5878.35)	Profit/loss After Tax	(6997.35)
Earning per share	Rs. (2.14)	Dividend (%)	Nil

E. General Names of Three Principal services of Company

Item code No. (ITC Code)	:	680223 -00
Product Description	:	Polished granite slabs and Tiles
Item code No. (ITC Code)	:	680223 -01
Product Description	:	Dimensional Granite Blocks
Item code No. (ITC Code)	:	680221 -01
Product Description	:	Polished Marble slabs and Tiles

As per Our Report of Even Date

For G.L.Kothari & Co.,
Chartered Accountants,

For & on behalf of the Board of Directors

G.L.Kothari

Proprietor.
M. No. 25481

P K Tyagi

Director

B.S. Raju

Whole Time Director

Place : Bangalore
Date : 05.09.2010

NOVA GRANITES (INDIA) LIMITED

Regd Off : 25-A, Attibele Industrial Aria, Attibele – 562 107 Bangalore District

PROXY FORM

Regd. Folio No. :

No. of Shares Held:

I/We
ofin the District of
.....being a member/members of the above
named company hereby appoint
of in the
District of as my/our
Proxy to attend and to vote for me/us on my/our behalf at the 20th Annual General Meeting
of the Company to be held on Thursday, the 30th September, 2010 at 10.30 A.M. at 25-
A, Attibele Industrial Aria, Attibele – 562 107 Bangalore District and at any adjournment
thereof.

Signed this day of Two Thousand Ten

Affix Revenue Stamp

Note: This Proxy Form duly completed should be deposited at the Registered Office of the Company not less the
48 (Forty Eight) hours before the time fixed for holding the meeting.



NOVA GRANITES (INDIA) LIMITED

Regd Off : 25-A, Attibele Industrial Aria, Attibele – 562 107 Bangalore District

ATTENDENCE SLIP

(Please present this slip at the Meeting Venue)
20th ANNUAL GENERAL MEETING – 30TH September, 2010

Regd. Folio No. :

No. of Shares Held:

I hereby record my presence at the 20th ANNUAL GENERAL MEETING of the members of
the Company held on Thursday, the 30th September, 2010 at 10.30 A.M. at 25-A, Attibele
Industrial Aria, Attibele – 562 107 Bangalore District

Name of the Shareholder:

Name of the Proxy:

Signature of Member / Proxy: