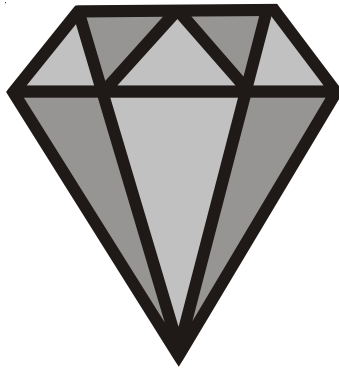


Sri Vajra Granites Limited



21st Annual Report 2009-10



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BOARD OF DIRECTORS

Sri K.S.Kameswara Sarma
Sri C. Saya Reddy
Sri M.Ranga Reddy
Sri Mathesh Reddy Kami Reddy
Smt. A.Leela
Sri A.Srinivas Reddy

Chairman
Director
Director
Director
Director
Managing Director

REGISTERED OFFICE :

Sri Vajra Granites Limited,
6-3-347/22/10/2; Flat No: 202,
2nd Floor, Sai Villa Apartment,
Dwarakapuri Colony, Punjagutta,
Hyderabad – 500 082.
Tel : +91-40-23355695
Fax : +91-40-23352830
Email: srivgl@sify.com
&Svgl_complaints@sify.com
Website: www.srivajragranites.com

SECRETARY & COMPLIANCE OFFICER:

S.Suryanarayana
Company Secretary
6-3-347/22/10/2, Flat No: 202, 2nd Floor,
Sai Villa Apartment, Dwarakapuri Colony,
Punjagutta, Hyderabad - 500 082.
Tel : +91-40-23355695

WORKS:

Basvapuri Village,
Bhikanoor Mandal,
Kamareddy Taluq,
Nizamabad District,
Andhra Pradesh

STATUTORY AUDITORS:

I. Sudhaker & Co.,
Chartered Accountants,
Flat No. 115, Amrutha Ville,
6-3-1091/13 to 15, Somajiguda,
Rajbhavan Road,
Hyderabad - 500 082
Tel : +91-40-23311017

BANKERS:

Andhra Bank,
Kamareddy Branch,
Kamareddy.

SHARE TRANSFER AGENTS:

Bigshare Services Pvt. Ltd.
G-10, Left Wing, Amrutha Ville,
Opp. Yashoda Hospital,
Rajbhavan Road, Somajiguda,
HYDERABAD - 500 082.
BP Id : IN200117



NOTICE

Dear members,

Notice is hereby given that the 21st Annual General Meeting (AGM) of Sri Vajra Granites Limited will be held on Thursday, the 30th day of September, 2010, at 11.30 A.M at Sundarayya Vignana Kendram (Kala Nilayam), 1-8-1/B/25/A, Baghlingampally, Hyderabad to transact the following:

ORDINARY BUSINESS:

1. To receive, consider and approve the Audited Balance Sheet as on 31st March, 2010 and the Profit & Loss Account for the year ended 31st March, 2010, together with the Directors' and Auditor's Reports thereon:
2. To appoint a Director in place of Sri C.Saya Reddy, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Sri M.Ranga Reddy, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint the retiring Statutory Auditors, M/s. I. Sudhaker & Co., Chartered Accountants, Flat No. 115, Amrutha Ville, 6-3-1091/13 to 15, Somajiguda, Rajbhavan Road, Hyderabad - 500 082 A.P, as the Statutory Auditors of the Company, from the conclusion of the 21st AGM until the conclusion of the 22nd AGM and to authorize the Board of Directors / the Audit Committee to fix the remuneration of the Auditors and to reimburse the actual out of pocket expenses as may be incurred by the Statutory Auditors in the performance of their duties, from time to time.

NOTES: FOR MEMBERS ATTENTION:

1. ***A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote instead of himself/herself. Such a proxy need not be a member of the Company. Proxies in order to be effective must reach the Registered office of the Company not less than 48 hours before the commencement of the AGM.***
2. Members are requested to send their queries if any, particularly on the accounts under approval, to the Company's Registered Office at least a fortnight before the date of the 21st AGM, so that the information so required can be kept ready.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 23.09.2010 to 30.09.2010 (bdi).
4. Members are requested to notify immediately the changes, if any, in their address, quoting their Registered Folio number, to the Company's Registrars and Transfer Agents (RTAs).
5. Pursuant to Section 109A of the Companies Act, 1956, the Members can make nominations in respect of shares held by them, by sending either to the company or its RTAs the nominations, in duplicate, in Form 2B (which can be obtained from the company's RTAs).
6. Members are requested to bring their copies of the 21st Annual Reports (ARs) along with them to the Meeting. No copies will be further given since they are already dispatched to all the Members.
7. Members/Proxy Holders/Authorised Representatives are requested to fill in and affix their signatures at the space provided in the enclosed attendance slip and to handover the same at the venue of the AGM. They should state on the attendance slip whether they are 'Proxy' or Authorised Representative' as the case may be.
8. Members who hold shares in electronic form are requested to write out the Client Id & DP Id allotted to them. Similarly those who hold shares in physical form are requested to write their Folio Number in the attendance slip.
9. All documents referred to in this Notice are open for inspection at the Registered Office of the company on all working days (except on Sundays) between 11.00 A.M. to 1.00 P.M., upto and including 29th September 2010.

for and on behalf of the Board of Directors
of SRI VAJRA GRANITES LIMITED

Sd/-

K.S.Kameswara Sarma
Chairman

Place: Hyderabad
Date: 12.08.2010



DIRECTORS' REPORT

To
The Shareholders,
Sri Vajra Granites Ltd.

Your Directors present their 21st Annual Report, together with the Audited Balance Sheet as on 31-03-2010; and the Profit & Loss Account, for the year ended 31-03-2010, together with the schedules 1 to 16 attached thereto; the Cash Flow Statement and the Statutory Auditor's Report on the said financial data.

2. FINANCIAL RESULTS/ DATA

PARTICULARS	Rs. in Lakhs	
	Year ended 31.03.2010	Year ended 31.03.2009
1. Net Sales	858.22	1197.87
2. Operating Expenditure	1091.41	1334.78
3. Profit/-Loss Before Depreciation, Interest & Provision for Tax (PBDIT)	-233.19	-136.91
4. Depreciation	-51.73	-52.13
5. Interest	-29.23	-44.25
6. Profit/Loss before provision for taxes & Prior period Adj. Net & other income	-314.15	-233.29
7. Other Income	5.14	12.74
8. Prior Period Adj.Net	12.85	157.99
9. Profit Before Tax	-296.16	-62.56
10. Provision for taxes	0	-1.29
11. Net Profit / Loss for the year	-296.16	-63.85
12. Balance Brought forward from previous year	496.65	560.49
13. Balance carried to Balance Sheet	200.49	496.65
14. Capital Reserve(State subsidy)	24.98	24.98
15. Share Capital	726.28	726.28
16. Net worth	951.75	1247.91

During the Financial Year (FY) 2009-10, the Company's Net sales as above at Rs. 858.22 lakhs, were down by Rs. 339.65 lakhs, compared to the net sales at Rs. 1197.87 made in the F.Y.2008-09.

The year under report ended with a loss of Rs. 314.15 lakhs after providing for the Depreciation and Interest. And after setting off against it the other income and the Prior Period Incomes, the Company ended with a net loss of Rs. 296.16 lakhs.

(For further analysis of the results please see pages 7 & 8 of this 21st Annual Report)

3. **Dividends:** Your Company is not in a position to recommend any dividend for the F.Y. 2009-10.
4. **FIXED DEPOSITS:** The Company did not accept any Fixed Deposits from the public during the FY 2009-2010.



Sri Vajra Granites Limited

5. **COMPLIANCE WITH THE ACCOUNTING STANDARDS:** Pursuant to Clause 32 of the Listing Agreement with the Stock Exchanges and the Accounting Standard (AS-22) in terms of Section 211 (3A) of the Companies Act, 1956, a statement on Deferred Tax Assets and Liabilities, likewise a Cash Flow Statement, prepared as per AS-3, are annexed to the Accounts for the year 2009-10.
- There are no 'Related Party Transactions' to be reported under AS –18.
6. **PARTICULARS OF EMPLOYEES :** Pursuant to section 217 (2A) of the Companies Act, 1956: **Nil.**
7. **DIRECTORS' RESPONSIBILITY STATEMENT :** Pursuant to Section 217(2AA) of the Companies Act, your Directors confirm:
- that in the preparation of the Annual Accounts for the year ended March 31, 2010 the applicable Accounting Standards have been followed along with proper explanations relating to material departures;
 - that the Directors had selected such Accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31.03.2010 and of the profit or loss of the Company for that period;
 - that the Directors had taken proper and sufficient care for the maintenance of adequate Accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
 - that the Directors had prepared the Annual Accounts on a 'going concern' basis.
8. **POLLUTION CONTROL :** Necessary arrangements and measures are regularly in place for control of water, air and other environmental borne-pollutions.
9. **AUDITORS :** The present Statutory Auditor's, term expires at the ensuing Annual General Meeting. You are now to appoint the Statutory Auditors for the current year and authorise the Board to fix the Auditors' remuneration. Your Company has received a written certificate from the retiring Auditors, M/s I.Sudhakar & Co to the effect that their re-appointment, if made, would be in accordance with the limits specified in sub-section (1B) of Section 224 of the Companies Act, 1956.
10. **CHANGES IN THE BOARD OF DIRECTORS :** Sri C.Saya Reddy and Sri M.Ranga Reddy who retire by rotation, seek their reappointment at the 21st AGM
11. **CAUTIONARY STATEMENT :** Statements in this Report, particularly those relating to the Outlook, Management Discussion and Analysis, the Company's objectives, projections, estimates, expectations etc are mere assessments. They may at best constitute 'forward looking statements' within the meaning of applicable laws and regulations, if any. As such the actual results might differ materially from those either expressed or implied.
12. **ACKNOWLEDGEMENT :** We thank the Central and State Government authorities, the Andhra Bank, our sister units in the Industry and all the customers and suppliers for their kind co-operation and support. We also place on record our appreciation to all the employees for their dedicated services during the previous year.

for and on behalf of the Board of Directors
of SRI VAJRA GRANITES LIMITED

Sd/-

A.Srinivas Reddy
Managing Director

Place: Hyderabad
Date: 12.08.2010



ANNEXURE TO DIRECTORS' REPORT:

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956.

A. CONSERVATION OF ENERGY:

Conservation of energy is a continuous activity. Every effort is constantly being made for conservation of energy.

B. TECHNOLOGY ABSORPTION, ADOPTION & INNOVATION:

Being a 100% Export Oriented Unit, the company emphasises on the maintenance and improvement of quality. The company keeps itself abreast of the technical developments and the changes occurring in the Granite Industry.

C. FOREIGN EXCHANGE EARNINGS AND OUT GO:

EARNINGS

	<u>2009-10</u>	<u>2008-09</u>
FOB Value of Exports in Rs.	1,66,30,356	2,90,68,076

OUTGO

a) CIF Value of Imported Capital goods	Nil	Nil
b) CIF Value of Imported Consumables & Spares	1,27,96,907	2,00,61,251
c) CIF Value of Imported Raw Material	Nil	91,53,089
d) Overseas Travel	Nil	39,146

for and on behalf of the Board of Directors
of SRI VAJRA GRANITES LIMITED

Place: Hyderabad
Date: 12.08.2010

Sd/-
K.S.Kameswara Sarma
Chairman

DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 (1D) (ii) OF THE LISTING AGREEMENT.

I hereby declare that all Board members and senior management personnel, the Company Secretary and the Financial Manager in charge included, have duly affirmed their compliance, during the period 01.04.2009 to 31.03.2010, with the Code of Conduct earlier adopted by the Board of Directors.

for and on behalf of the Board of Directors
of SRI VAJRA GRANITES LIMITED

Place: Hyderabad
Date: 12.08.2010

Sd/-
A.Srinivas Reddy
Managing Director



MANAGEMENT DISCUSSION AND ANALYSIS

(As required under sub-clause IV F of Clause 49 of the Listing Agreement)

i) Industry Structure and Developments:

Granite is used for wall-paneling, flooring, kitchen tops, table tops, sit-outs, tomb-stones, kerb-stones etc. The Industry offers around 160 varieties of colour and texture. It is essentially export-oriented and is an important Foreign-Exchange-Earner. India is endowed with vast granite-deposits. Around 12 States extract the granite quarries. .

ii) Opportunities and threats:

Opportunities:

Andhra Pradesh is also rich in Granite Resources. So a number of Processing units are established in the State, accounting for processing of around 3 million square feet per month. However only a few firms are faring satisfactorily.

Threats:

Following are some of the threats being faced by the Company:

An unfettered and indiscriminate direct export of Rough Blocks by the quarry- owners / lease holders is taking place. This has been causing irreparable damage, to the interests of Government, as well as the Granite Industry as a whole.

Coming to the Government, it substantially loses its Foreign Exchange earnings. For, if the direct export of Rough Blocks is strictly banned and the processed granite slabs alone are exported, Government could have earned foreign exchange equivalent to the full sale value of the finished slabs exported by the entire Indian Granite Industry. On the contrary, because of the Direct Export of the Rough Blocks by those who want to make some fast bucks, the Government at present is getting only a paltry amount of foreign exchange. (equivalent to the value of the Rough Blocks, so being exported). This practice was against the very spirit of the Granite export policy, originally contemplated by the Government. And yet the Government is only a mute spectator to this spectacle.

Coming to the Industry, such a silence on the part of the Government is nothing short of robbing the Peter to pay Paul. It virtually tantamounts to indirectly aiding and abetting the Quarry-owners / Lessees in creating artificial shortage. For, otherwise, India is very rich with plentiful Granite reserves. In such a help less situation, the 100% EOUs like your Company were often forced to buy even the left over second grade Rough Blocks— that too at uneconomical prices. This makes us substantially lose our competitive edge in the export market.

Unfortunately such direct export of Rough Blocks is also wrought with its own adverse multiplier effects as well – like loss of employment to the Indian workers to that extent; increase in the idle capacity of the Industry's plant & machinery; corresponding under-recovery of the overheads such as interest, depreciation, administration charges etc.,

Thirdly, coming to the very nature of the Rough Blocks, our main input. Coming as they are from the Nature, they are easily prone to get damaged at any stage—; at the time of procurement of Rough Blocks; or their transport to the factory; or be it while the finished products were on their destination over high seas.

Fourthly, unlike the existence of scope in all other industries for recycling their damaged finished stock at a nominal expenditure, in the case of Granite industry it is to be necessarily condemned or at the most disposed of at throw away prices, within the state say around 30% or so of their normal export sale price.

Fifthly, the wages payable to the labour force are almost Statutory or Semi-statutory in nature. They are regulated by the Wage-laws like the Minimum Wages Act, the Bonus Act, Wage Agreement with the trade unions from time to time etc.,



Sixthly, the imported spares and stores are also becoming costlier over the years.

In the given circumstances, both the volume of our exports and its average per square meter - sale values realized are on decline year after year.

iii) Segment-wise or product-wise performance:

Your company is predominantly engaged in the manufacture of polished slabs only. It is a 100% Export Oriented Unit. Its domestic sales are negligible, its operations constitute only one primary segment i.e. export-sales of 'polished slabs'. Hence no segment-wise reporting is done.

iv) Outlook:

The Industry is presently passing through a crippling world wide recession. Added to it,

There is an artificial man made scarcity in the availability of Rough Blocks. It is created by the direct export of Rough Blocks by some owners / lessees of the granite quarries. Necessary prohibitive steps by now are badly delayed. So the powers that be should immediately step in and prohibit any direct export of Rough Blocks by bringing in a statute if necessary. Otherwise several 100% EOU processing plants may soon face closure.

v) Risks and Concerns

- a) Our product is at once subject to local, national and international competition.
- b) Any adverse change in the import policies of the Government may further adversely affect the Company's profitability.

vi. Internal Control Systems and their Adequacy:

A duly qualified and experienced Chartered Accountant is engaged as the Internal Auditor. He is independent. He evolves adequate internal control procedures, which are commensurate with the size of the company and the nature of its business. The internal control system extends to the purchase of stores, raw materials, plant and machinery, equipment and other assets and for the sale of goods as well.

vii. Discussion on the Financial Performance with respect to our operational performance:

S.No	Particulars	2008-09	2009-10	Difference
1.	*SQM of Qty sold	65422	50232	15190 (A)**
2.	Net sales in Rs. lakhs	1197.87	858.22	339.65 (A)
3.	Average Sale Prices in Rs.	1831	1708.52	122.48 (A)
4.	Total Variable/Direct costs in Rs. lakhs.***	1215.91	960.03	255.88

Note:-

*Denotes Square Meters; 'A' denotes Adverse'; ***Include Manufacturing Expenses, Salaries & other benefits, Direct purchases, Decrease in value of Stock-in-trade.

From the above analysis, the following pointers emerge.

- 1) Because of the devastating Recession in the economy of USA, our sole foreign buyer, our prices fell so low that they are not adequate enough even to cover our variable costs.
- 2) There is a steep fall in our net sales by Rs. 339.65 lakhs during the Financial Year 2009-10. Of this, a fall of Rs 278.13 lakhs is relatable to the fall in the Quantity sold and the balance of Rs. 61.52 lakhs to the fall in our average sale prices. The demand for Granite polished slabs, being generally inelastic in nature, in times of recession the effect of price increase / decrease on the Quantity demanded, is minimal (18.11%). The remaining Rs. 278.13 lakhs of reduction in the quantity sold is due to the



recessionary trends. It is a pointer that in measure with the easing of the recession, we shall gradually push up of our quantity sold.

- 3) Simultaneously there is a need for jocking up of our present sale prices. They are not sufficient even to cover our total variable / direct costs. And as a matching measure, it is necessary that our cost of production is brought down suitably.
- 4) Herein lies the role of the Government to ban, inter alia, the direct export of rough blocks and ear-mark on lease basis the Government – Granite - Quarries to genuine 100% EOUs like yours are in existence for more than 20 years or so.

viii. Material Developments in Human Resources/Industrial Relations:

Directly/indirectly your company provides employment to around 130 individuals at various levels at its Factory, Head office and Quarries. Its industrial relations continue to remain cordial.

ix. Data concerning the new Directors / reappointment of Directors

(pursuant to para IV G(1) of Clause 49 of the Listing Agreement)

Particulars	Sri C.Saya Reddy	Sri M.Ranga Reddy
Date of Birth	03.02.1947	24.04.1954
Date of appointment	24.09.2008	24.09.2008
Qualifications	B.Sc LLB	P.U.C
Expertise in Specific functional areas	Well versed in Administrative matters	Business Magnate. Experienced in Granite area.
Chairmanship / Directorship in other companies	Nil	Nil
No of shares held in the Company	Nil	50,000 fully paidup shares of Rs 10/- each

x. Disclosure of relationship between Directors inter se in terms of Clause 49 (G) (ia) of the Listing Agreement:

Smt A.Leela, Director of the Company, is the mother of Sri A.Srinivas Reddy, the Managing Director.

for and on behalf of the Board of Directors
of SRI VAJRA GRANITES LIMITED

Place: Hyderabad
Date: 12.08.2010

Sd/-
K.S.Kameswara Sarma
Chairman



Certificate under clause 49 (V) of the Listing Agreement.

- (a) Certified that we have reviewed financial statements and the cash flow statement of Sri Vajra Granites Ltd for the year 2009-10 and that to the best of our knowledge and belief;
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee.
- (i) That there are no significant changes in internal control systems during the year;
 - (ii) That there are no significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) That there are no instances of significant fraud, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

Sd/-

K.V.V. SATYANARAYANA
Finance Manager I/C

Sd/-

A. SRINIVAS REDDY
Managing Director

Place: Hyderabad

Date: 12/08/2010



REPORT ON CORPORATE GOVERNANCE: (Pursuant to clause 49 (VI) and Annexure 1C thereto)

1. Company's philosophy on Code of Governance:

The Company's activities are being conducted in keeping with the well-established good corporate practices. Your Company constantly endeavors to better them. It is committed to ensure an effective independent Board and its various committees; separation of the Board's supervisory role from the executive management; usher in transparency in its management systems; prompt compliance with all the regulatory provisions of all the Corporate Laws, Stock Exchanges, SEBI etc and enhancement of value in a fair manner for all the stake-holders.

2.1. Board of Directors, Composition and Category of Directors:

As on date there are SIX Directors, including a Non-Executive Chairman. Of these SIX, TWO including the Managing Director, are Promoter-Directors. The rest FOUR are Independent Non-Executive Directors. Thus the composition and the categories of the Directors on your Board are in line with the requirements under Clause 49 of the Listing Agreement.

None of the Directors on the Board is a member of more than TEN Committees or Chairman of more than FIVE Committees across all the public limited companies. Necessary disclosures, in this regard as on 31.03.2010 were made by the Directors.

None of them is disqualified from acting as Director under Section 274 of the Companies Act, 1956.

The 20th Annual General Meeting of the Company was held on 29.09.2009. It was attended by Sri K.S.Kameswara Sarma, the Chairman of the Audit Committee.

During the year 2009-10, **seven** meetings of the Board of Directors were held— the dates being 09.04.2009, 29.6.2009, 30.06.2009, 29.07.2009, 31.08.2009, 31.10.2009 and 22.01.2010.

The data required under item 2 of Annexure 1C to the report on Corporate Governance are furnished below:

Name	Category	No. of Board Meetings held and attended during 2009-10		Attendance at the last AGM	No. of outside Directorships (Indian)	No. of outside Committee positions held as	
		Held	Attended			Member	Chairman
Sri Y.Kesava Krishna*	Independent & Non Executive Chairman	1	1	No	Nil	Nil	Nil
Sri K.S. Kameswara** Sama	Independent & Non Executive Chairman	5	5	Yes	Nil	Nil	Nil
Sri Mathesh Reddy Kami Reddy	Independent & Non Executive Director	7	7	Yes	Nil	Nil	Nil
Sri C. Sava Reddy	do	7	7	Yes	Nil	Nil	Nil
Sri M.Ranga Reddy	do	7	7	Yes	Nil	Nil	Nil
Sri Naveen Kumar Mahenderkar	do	7	4	Yes	Nil	Nil	Nil
Smt A.Leela	Director (Promoter group)	2	2	Yes	Nil	Nil	Nil
Sri A Srinivas Reddy***	Managing Director (Promoter group)	7	7	Yes	Nil	Nil	Nil



* up to 5.5.2009; **since 30.6.2009; ***since 9.4.2009.

None of the Directors has any material pecuniary relationships or transactions with the Company.

3. Audit Committee:

An Audit Committee is in place, in consonance with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The terms of reference and the scope of the Committee, inter alia, include

- Review of the Company's financial reporting process, financial statements and financial/ management policies.
- Review of the adequacy of the internal control systems of the Company.
- Review of the internal audit reports forwarded by the internal auditors.
- Discussions with the management and the external and internal auditors on the audit plans for the financial year followed by joint post-audit review of the same.

Four Meetings were held during 2009-10 — the dates being 29.06.2009, 29.07.2009, 31.10.2009 and 22.01.2010.

Name of the Director	Category	Remarks	No. of Meetings held and attended	
			Held	Attended
Sri Y.Kesava Krishna*	Chairman	Chartered Accountant	1	1
Sri K.S. Kameswara Sarma**	Chairman	Chartered Accountant	3	3
Sri Mathesh Reddy Kami Reddy	Member	Chartered Accountant	4	4
Sri C.Saya Reddy	Member	A Retired Govt. Senior Official	4	4

* Resigned on 5.5.2009

** Since 30.06.2009

Two Members present constitutes the quorum.

The Meetings are regularly attended by the Statutory Auditor, besides the Finance Manager. The Company Secretary acts as its Secretary.

4. Remuneration Committee

The Company is having a Remuneration Committee of Directors as under:

Name of the Director	Category	Remarks
Sri Y.Kesava Krishna*	Chairman	Chartered Accountant
Sri K.S Kameswara Sarma**	Chairman	Chartered Accountant
Sri Mathesh Reddy Kami Reddy	Member	Chartered Accountant
Sri C.Saya Reddy	Member	A Retired Govt. Senior Official

* Up to 5.5.2009; ** Since 30.6.2009.

Broad terms of reference to the Remuneration Committee include selection of the officials of senior level, approval / review of the remuneration payable to them and the Managing Director / Executive Director and examination and offer of opinion on such other matters as the Board may from time to time request.

Two Members present constitutes the quorum.

Company Secretary is its Secretary.

It met once i.e., on 02.04.2009.



Sri Vajra Granites Limited

Details of Managerial person's Appointment and Remuneration:

Sri A.Srinivas Reddy is the Managing Director of the Company, since 09.04.2009. His term of contract is for 5 years. His remuneration details are as under:

Salary	Perquisites	Total
Rs	Rs	Rs
5,28,000/-	3,33,360/-	8,61,360/-

Details of Sitting Fees paid to the Non-Executive Directors during 2009-10 for attending the Board and or the Audit Committee meetings:

Name of the Director	Sitting Fees Amount in Rs.
Sri Y. Kesava Krishna	6000
Sri K.S. Kameswara Sarma	24000
Sri Mathesh Reddy Kami Reddy	36000
Sri C. Saya Reddy	36000
Sri M.Ranga Reddy	21000
Smt A. Leela	6000
Sri Naveen Kumar Mahenderkar	12000
Total	141000

Details of Non-Executive Director's Share-holding in the company as on 30.06.2010:

Sri M.Ranga Reddy 50,000 equity shares of Rs. 10 each fully paid-up.

5. Shareholders' / Investors' Grievances Committee:

The Shareholders'/Investors' Grievances Committee is as under. It looks into the redressal of complaints of the Investors on matters such as transfer of shares; credit of shares to demat accounts; non-receipt of Dividend / Notices / Annual reports etc :

Name of the Director	Office
Sri C. Saya Reddy	Non Executive Director
Sri M. Ranga Reddy	do
Sri A. Srinivas Reddy	Managing Director
	Chairman
	Member
	Member

Two Members present constitutes the quorum.

S.Suryanarayana is the Company Secretary and the Compliance Officer.

Details of complaints received and redressed.

Opening Balance	Received During the year	Resolved during the year	Closing Balance
Nil	6	6	Nil

6. General Body Meetings:

i. Location and time of General Meetings held in the last 3 years:

Year	Type	Date	Venue	Time
2006-2007	AGM	24.09.2007	Sri Sagi Rama Krishnam Raju Community Hall, Madhuranagar, Hyderabad – 500 038.	11.00 AM
2007-2008	AGM	24.09.2008	Sri Sundarayya Kala Nilayam, 1-8-1/B/25/A, Baghlingampally, Hyderabad – 500 044.	4.00 PM
2008-2009	AGM	29.09.2009	Sri Sundarayya Kala Nilayam, 1-8-1/B/25/A, Baghlingampally, Hyderabad – 500 044.	11.00 AM



ii. Whether Special Resolutions passed in the previous 3 AGMS: Yes.

- 1) At the 18th AGM held on 24.09.2007 appointing Sri.A.Srinivas Reddy as Executive Director. (Sri Srinivas Reddy is the son of Sri A.Hanimi Reddy, the then Managing Director).
 - 2) At the 19th AGM for the reappointment of Sri A.Hanimi Reddy as the Managing Director. For, his son Sri A.Srinivas Reddy functioned as Executive Director up to 20th April 2008.
 - 3) At the 20th AGM appointing Sri A.Srinivasa Reddy as the Managing Director. For his mother Smt A.Leela, officiated as Additional Director during the year 2008-09 and was also later elected as Director at the 20th AGM.
- iii. Whether any special resolution passed last year through postal ballot. If so details of voting pattern - No
- iv. Persons who conducted the postal ballot exercise - N.A
- v. Are proposed to be conducted through postal ballot - No
- vi. Procedure for postal ballot - N.A

7. Disclosures

- i) There are no materially significant Related Party Transactions of the company which have potential conflict with the interests of the Company at large.
- ii) The Directors do not have any material pecuniary relationship or transactions with the company, its promoters or its management during the year 2009-10, which in the judgment of the Board may affect the independence of judgment of any Director or potentially conflict the interests of the Company at large.
- iii) Whistle blower policy and affirmation that no personnel has been denied access to the Audit Committee - None is denied access to the Audit Committee. Whistle blower policy is not adopted.
- iv) Details of compliance with mandatory requirements: All of them are complied with. As to the non-mandatory requirements: Remuneration Committee of the Directors and Audit qualifications aspects only are adopted.
- v) The Company has complied with all the rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India and all other Statutory Authorities relating to the capital markets during the last three years.
- vi) The Statutory Financial Statements of the company are free from any adverse remarks by the Auditor.
- vii) Secretarial Audit: A qualified practicing Company Secretary carried out Secretarial Audit and reconciled the total admitted capital of the Company with the National Securities Depository Ltd (NSDL) and the Central Depository Services (INDIA) Ltd (CDSL). The total issued / paid up capital is in agreement with the total number of shares held in physical form and the total number of dematerialized shares held with NSDL and CDSL.

8. Means of Communication

- i) Quarterly results : 30/06/2009, 30/09/2009, 31/12/2009 & 31/03/2010
- ii) News papers where in the results are normally published : Hyderabad edition of the Andhra Prabha (Telugu daly – local vernacular) and Business standard (English daily)
- Any website where displayed : Yes (www.srivajragranites.com)
- Whether it also displays official News releases : No



Presentations if any made to the institutional investors or to the analysts : No
Whether Management Discussion And Analysis is a part of Annual Report or not : Yes

9. General Shareholders' information:

- i) Annual General Meeting Date and time : 30.09.2010 at 11.30 A.M
Venue : Sundarayya Vignana Kendram (Kala Nilayam)
1-5-1/B/25/A, Baghlingampally,
Hyderabad – 500 044.
Financial Year : 01.04.2009 to 31.03.2010

ii) Financial Results Calendar Published during

- a) Quarter ending 30th June, 2009 : July, 2009
b) Quarter ending 30th Sept, 2009 : October, 2009
c) Quarter ending 31st Dec, 2009 : January, 2010
d) Quarter ending 31st Mar, 2010 : April, 2010 & August, 2010
iii) Date of Book Closure : 23.09.2010 to 30.09.2010 (bdi)
iv) Dividend Payment Date : Nil

v) Listing:

The Company's shares are listed with the following Stock Exchanges:

The Bombay Stock Exchange, Mumbai, Phiroze, Jeejeebhoy Towers, Dalal Street, Mumbai - 400001.
Hyderabad Stock Exchange Limited (Now defunct)

Payment of listing fees is upto date.

vi) Stock Code:

The Stock Exchange, Mumbai : 515081
The Stock Exchange, Hyderabad : (now defunct)

vii) Market price data high, low during each month in the last financial year:



Bombay Stock Exchange - Stock Prices

Scrip Code : 515081 Company : SRIVAJRA GRA For the Period : April 2009 to August 2010

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover (Rs.)	* Spread (Rs.)	
								H - L	C - O
Aug 09	8.47	8.47	8.47	8.47	100	1	847	0.00	0.00
Sep 09	8.88	10.68	8.05	10.68	1,700	12	16,156	2.63	1.80
Oct 09	11.21	11.21	11.21	11.21	100	1	1,121	0.00	0.00
Nov 09	10.65	10.65	10.65	10.65	100	1	1,065	0.00	0.00
Feb 10	10.12	10.12	10.12	10.12	100	1	1,012	0.00	0.00
Mar 10	9.62	9.62	8.50	8.50	400	4	3,595	1.12	-1.12
Apr 10	8.08	8.10	7.61	7.61	2,100	10	16,476	0.49	-0.47
Jun 10	7.23	7.23	7.23	7.23	100	1	723	0.00	0.00
Jul 10	7.58	7.58	6.19	6.19	700	6	4,835	1.39	-1.39

* Spread

H-L : High-Low

C-O : Close-Open

viii) Performance in comparison to BSE Sensex etc: Performance not comparable because of the irregular and infrequent trading of the Company's shares.

ix) Registrars and Transfer Agents :

M/s Bigshare Services Pvt Ltd are the RTAs of your company. Members are requested to address all the share-related and general correspondence to them only. RTA's address and other details are furnished at page 1.

x) Share Transfer System

The Transfer Agents will prepare and submit to the Share Transfer Committee of the Company (STCC) the lists of valid transfer and other proposals. Thereupon the STCC meets at very short and frequent intervals. And it approves the same and completes the transactions within the time stipulated under the Companies Act/Listing Agreement.

xi)a) Distribution of Shareholding as on 30-06-2010:

Range in Rs.	No. of Shareholders	% of Total Holders	Total holding In Rupees	% of Total Capital
1- 5000	14,638	97.01107	19721490	27.15636
5001 -10000	294	1.94844	2394000	3.296521
10001 - 20000	76	0.50368	1137800	1.56674
20001 - 30000	26	0.17231	674510	0.92880
30001 - 40000	12	0.07953	427000	0.58798
40001 - 50000	8	0.05302	381000	0.52463
50001 - 100000	11	0.07290	791000	1.08920
100001 & above	24	0.15906	47095200	64.84977
Total	15,089	100%	72622000	100%



b) Shareholding Pattern as on 30-06-2010:

Category	No. of Shares	%
Promoters Holding	38,84,420	53.49
Indian Public & Others	32,37,280	44.58
Mutual Fund & UTI	26,900	.37
Corporate Bodies	1,08,800	1.50
Banks / FIs	4,400	.06
NRI's	300	—
TOTAL	72,62,200	100.00

xii) Dematerialisation of shares and liquidity

Company's equity shares of Rs. 10/- each fully paid up (issued capital Rs. 7,26,22,000/-) are admitted into CDSL (Issuer ID No. 5111) and NSDL (Issuer Code No. 047H) with ISIN Code - INE047H01018.

The shareholders have the option to dematerialize their shares. Their dematerialisation request forms along with the physical certificates can be sent to the National Securities Depository Limited (NSDL) or to the Central Securities Depository Limited (CDSL) as the case may be, through any of the Depository Participants.

The details of the dematerialisation of the company's shares with NSDL and CDSL and shares held in physical form are as under as on 30/06/2010:

Category	No. of Shares	%
NSDL	44,80,544	61.69
CDSL	5,34,669	7.36
PHYSICAL	22,46,987	30.93
TOTAL	72,62,200	99.98*

* 1300 shares of Rs. 5/- each paid-up were forfeited.

Outstanding CDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity : N.A

xiv) Plant Location:

Basvapur Village, Bhikanoor Mandal, Kamareddy Tq, Nizamabad District, Andhra Pradesh.

xv) Address for correspondence :

Sri Vajra Granites Limited,
6-3-347/22/10/2, Flat No: 202, 2nd Floor, Sai Villa Apartment,
Dwarakapuri Colony, Punjagutta, Hyderabad – 500 082.
Tel. : +91-40-23355695, Fax : +91-40-23352830

Email : srivgl@sify.com & svgl_complaints@sify.com, Website : www.srivajragranites.com

It may be noted that the Company's name was changed from Vajra Granites Limited to Sri Vajra Granites Limited, effective from 21.07.2000.

However in terms of the National Securities Depository Limited's circular No NSDL/PI/2005/1164 dated June 29, 2005, the Company's share certificates bearing former name i.e Vajra Granites Limited are accepted for dematerialization.

Clause 49 Annexure 1D: Non-Mandatory requirements:

Excepting the Remuneration Committee and Audit qualifications aspects, the Company at present has not adopted the other non-mandatory requirements.

for and on behalf of the Board of Directors
of SRI VAJRA GRANITES LIMITED

Place: Hyderabad
Date: 12.08.2010

Sd/-
K.S.Kameshwara Sarma
Chairman



B. SATYA REDDY
B.Com., L.L.B., FCS

**Plot No. 363, Road No. 5,
Banjara Hills,
HYDERABAD - 500 034.
Phone : 23350622**

CERTIFICATE OF COMPANY SECRETARY IN PRACTICE AS TO THE COMPANY'S COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

(As per clause 49 vii (i) of the Listing Agreement with the Stock Exchanges)

To
The Members of Sri Vajra Granites Ltd.,
Hyderabad.

I have examined as to the compliance aspect in regard to the conditions of Corporate Governance by Sri Vajra Granites Ltd., for the year ended 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchanges.

Such compliance with the conditions of Corporate Governance is the responsibility of the management. My examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

No investor grievance is pending for a period exceeding one month with the company as per the records maintained by the Company.

In my opinion and to the best of information and according to the explanations given to me and the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

Sd/-

B. SATYA REDDY

C.P No : 2

Company Secretary in Practice
363, Road No.5, Banjara Hills
Hyderabad - 500 034 A.P

Place : Hyderabad
Date : 12th August, 2010



AUDITORS' REPORT

To
The Shareholders of **SRI VAJRA GRANITES LIMITED**

1. We have audited the attached Balance Sheet of **Sri Vajra Granites Limited**, Hyderabad, A.P as at 31-3-2010 and the Pre fit and 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 based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement(s). 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 the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of The Companies Act, 1956 we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of Account.
 - (iv) In our opinion, the Balance Sheet, Profit & 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 Companies Act, 1956.
 - (v) On the basis of the written representations received from the directors taken on record by the Board of Directors, we report that none of them is disqualified as on 31st March, 2010 from being appointed as director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
 - (vi) In our opinion, and to the best of our information and according to the explanations given to us the accounts read in conjunction with the notes thereon and schedules attached therewith give the information as 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 the case of Balance Sheet, of the State of Affairs as at 31st March, 2010.
 - (ii) In the case of Profit and Loss Account, of the loss for the year ended on that date.
 - (iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

for I. SUDHAKER & CO.,
CHARTERED ACCOUNTANTS,
FR No. 006271S

PLACE: HYDERABAD,
DATE : 12th August, 2010

Sd/-
I. SUDHAKER,
(PROPRIETOR)
Membership No. 23904



ANNEXURE TO AUDITORS' REPORT

Re: SRI VAJRA 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) The fixed assets have been physically verified by the management at reasonable intervals of time and no discrepancy was noticed on such verification.
(c) The company has not disposed off substantial part of any fixed assets during the year.
- ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
(b) In our opinion 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. The discrepancies noticed on verification between physical stocks and book records were not material and have been properly dealt with in the books of account.
- iii) The company has not granted or taken any loans to/from any party covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems 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 and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
(b) In our opinion and according to the information and explanations given to us, there are no transactions during the year with the parties whose names are entered in the register maintained under Section 301 of the Companies Act, 1956 for an amount exceeding the value of rupees five lakhs in respect of any party.
- vi) The company has not accepted any deposits from the public.
- vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii) On clarification, as informed by the company, maintenance of cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956.
- ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other Material statutory dues applicable to it.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty and Cess were in arrears, as at 31.03.2010 for a period of more than six months from the date they became payable.
(c) According to the information and explanation given to us, there are no dues of sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.



Sri Vajra Granites Limited

- x) The company does not have accumulated losses as at 31.03.2010. The company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions or banks during the year.
- xii) The company has not granted loans and advances on the basis of security.
- xiii) In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xv) In our opinion, the company has not given guarantees for loans taken by others from banks or financial institutions.
- xvi) In our opinion the Term loans taken by the company have been applied for the purpose for which they were obtained.
- xvii) According to the information and explanations given to us and on overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long term investment. No long term funds have been used to finance short term assets except permanent working capital.
- xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties covered in register maintained under section 301 of the Act during the year.
- xix) The company did not issue debentures.
- xx) The company did not raise any money by way of public issue during the year.
- xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For I. SUDHAKER & CO,
Chartered Accountants
FR No 006271S

Sd/-
I. SUDHAKER
(Proprietor)
Membership No. 23904

Place: Hyderabad
Date: 12.08.2010



BALANCE SHEET AS AT 31ST MARCH, 2010

(AMOUNT IN Rs.)

PARTICULARS	SCHEDULE NO.	AS AT 31.03.2010	AS AT 31.03.2009
I. SOURCES OF FUNDS :			
1. Share Holders' Funds :			
a) Share Capital	1	72628500	72628500
b) Reserves & Surplus	2	22547109	52162776
2. Advance Against Share Capital		1078800	1078800
3. Loan Funds :			
a) Secured Loans	3	30467506	39820766
b) Unsecured Loans	4	0	645000
		<u>126721915</u>	<u>166335842</u>
II. APPLICATION OF FUNDS :			
1. Fixed Assets			
Gross Block	5	166842919	167385985
Less: Depreciation		<u>120493025</u>	<u>118796524</u>
Net Block		46349894	48589461
2. Current Assets, Loans & Advances :			
a) Current Assets	6	99277149	100184527
b) Loans & Advances	7	<u>19562806</u>	<u>41190385</u>
		118839955	141374912
Less: Current Liabilities & Provisions	8	<u>38467934</u>	<u>23628531</u>
		80372021	117746381
		<u>126721915</u>	<u>166335842</u>

As per our report of even date
For I. SUDHAKER & CO,
Chartered Accountants
FR No 006271S

for and on behalf of the Board of Directors
of SRI VAJRA GRANITES LIMITED

Sd/-
I. SUDHAKER
Proprietor

Sd/-
A. SRINIVAS REDDY
Managing Director

Sd/-
K.V.V. SATYANARAYANA
Finance Manager I/C

Sd/-
S. SURYANARAYANA
Company Secretary

Sd/-
K.S. KAMESWARA SARMA
Chairman

Place: Hyderabad
Date: 12.08.2010



Sri Vajra Granites Limited

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010 (AMOUNT IN Rs.)

PARTICULARS	SCHEDULE NO.	FOR THE YEAR ENDED 31-03-2010	FOR THE YEAR ENDED 31-03-2009
I. INCOME :			
1. Net Sales	9	85822438	119787474
2. Other Income	10	513838	1274181
3. Increase/(Decrease) in Finished and processed goods	11	699850	-10020110
		<u>87036126</u>	<u>111041545</u>
II. EXPENDITURE :			
1. Salaries & Other Benefits to Employees	12	6275949	5637598
2. Manufacturing Expenses	13	90427004	105702879
3. Purchase of Finished Goods for Exports		0	158200
4. Interest & Finance Charges	14	2923517	4425164
5. Administrative & Selling Exps	15	13137602	11959717
6. Depreciation	5	5173210	5212732
		<u>117937282</u>	<u>133096290</u>
III. NET PROFIT FOR THE YEAR ENDED		-30901156	-22054745
IV. PRIOR YEAR ADJUSTMENTS		1285489	15798923
V. NET PROFIT FOR THE YEAR BEFORE TAX		-29615667	-6255822
VI. INCOME TAX (MAT)		0	0
(FBT)		0	128763
VII. NET PROFIT		-29615667	-6384585
VIII. ADD: PROFIT BROUGHT FORWARD FROM THE PREVIOUS YEAR		49664725	56049310
IX. PROFIT CARRIED TO BALANCE SHEET		<u>20049058</u>	<u>49664725</u>

As per our report of even date

For I. SUDHAKER & CO,
Chartered Accountants
FR No 006271S

for and on behalf of the Board of Directors
of SRI VAJRA GRANITES LIMITED

Sd/-
I. SUDHAKER
Proprietor

Sd/-
A. SRINIVAS REDDY
Managing Director

Sd/-
S. SURYANARAYANA
Company Secretary

Sd/-
K.V.V. SATYANARAYANA
Finance Manager I/C

Sd/-
K.S. KAMESWARA SARMA
Chairman

Place: Hyderabad
Date: 12.08.2010



SCHEDULES TO ACCOUNTS

(Amount in Rupees)

SCHEDULE - 1: SHARE CAPITAL AS AT 31.03.2010 AS AT 31.03.2009

Authorised:

1,00,00,000 Equity Shares of Rs. 10/- Each 100000000 100000000

Issued Subscribed & Calledup: 72635000 72635000

72,63,500 (Previous year 72,63,500)

Equity Shares of Rs. 10/- each

Paid up Capital:

72,62,200 (Previous year 72,62,200) 72622000 72622000

Equity Shares of Rs. 10/- each fully

paidup:

Add: Forfeited Shares amount

(on 1300 Shares at Rs. 5/- 6500 72628500 6500 72628500

per share paidup)

72628500

72628500

SCHEDULE - 2: RESERVES & SURPLUS AS AT 31.03.2010 AS AT 31.03.2009

Capital Reserve - State subsidy 2498051 2498051

Profit & Loss Account 20049058 49664725

22547109

52162776

SCHEDULE - 3: SECURED LOANS AS AT 31.03.2010 AS AT 31.03.2009

1. Export Packing Credit/Cash Credit - 29996345 39401798

Andhra Bank*

2. Term Loan from ICICI Bank & 471161 418968

Tata Motors Fin.Ltd.**

30467506

39820766

* Secured by Hypothecation of stocks of raw materials, consumables, stock-in-process, finished goods, stores & spares and other current assets; First charge on fixed assets and personal guarantees of Mr.A.Srinivas Reddy, Managing Director

** Term loan from the ICICI bank & Tata Motors Finance Ltd secured by the Hypothecation of the car and the personal guarantee of Mr.A.Srinivas Reddy, Managing Director.

SCHEDULE - 4: UNSECURED LOANS AS AT 31.03.2010 AS AT 31.03.2009

Short Term Loans from Corporate Bodies 0 645000

not under the same management

0

645000



SCHEDULE - 5: FIXED ASSETS		(Amount in Rupees)										
	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As on 31.03.2009	Additions During Year	Deductions Discarded During the Year	As on 31.03.2010	Upto 31.03.09	For the Year 31.03.2010	Adjustment	Upto 31.03.2010	As on 31.03.2010	As on 31.03.2009		
FIXED ASSETS												
1. Land & Site Development	2218061	0	0	2218061	0	0	0	0	2218061	2218061		
2. Quarry Land	669846	0	0	669846	384436	22328	0	406764	263082	285410		
3. Buildings	19089245	1768105	0	20857350	6527644	514951	0	7042595	13814755	12561601		
4. Plant & Machinery	136278499	816070	2114555	134980014	106455658	4229062	1893144	108791576	26188438	29822841		
5. Electrical Installation	6355635	0	1740	6353895	3441775	301810	1740	3741845	2612050	2919860		
6. Furniture & Fixtures	175442	11000	111415	75027	149987	4575	111415	43147	31880	25455		
7. Electronic & Office Equipment	494197	50915	91336	453776	350002	17358	91336	276024	177752	144195		
8. Vehicles	2105060	508964	1379074	1234950	1487022	83126	1379074	191074	1043876	618038		
Total	167385985	3155054	3698120	166842919	118796524	5173210	3476709	120493025	46349894	48589461		
Previous Year	167375863	10122	0	167385985	113583792	5212732	0	118796524	48589461	53792071		



(Amount in Rupees)

SCHEDULE - 6: CURRENT ASSETS AS AT 31.03.2010 AS AT 31.03.2009

Interest Receivable : 94589 61708

Inventories:

(As Certified by the Management)

a) Stores & Spares	4139966		3071278	
b) Raw Materials	2838868		8217010	
c) Consumables	6626954		7199111	
d) Stock of Finished Goods	167348		171635	
e) Stock of Processed Goods	33763462		33059325	
f) Stock at Quarry	<u>14839048</u>	62375646	<u>14267215</u>	65985574

Sundry Debtors : (Unsecured)

a) Over Six Months				
i) Considered Good	21794914		18828269	
ii) Considered doubtful	0		0	
b) Others	<u>8323728</u>	30118642	<u>13525872</u>	32354141

Cash & Bank Balances :

a) Cash on Hand	476833		369048	
b) Bank Balances with scheduled Banks				
i) In Current Accounts	4694339		911956	
ii) Fixed Deposit Account for Margin Money	1510000		495000	
iii) Fixed Deposit for Security	<u>7100</u>	6688272	<u>7100</u>	1783104
		<u><u>99277149</u></u>		<u><u>100184527</u></u>

SCHEDULE - 7: LOANS & ADVANCES AS AT 31.03.2010 AS AT 31.03.2009

(Unsecured and Considered good recoverable
in cash or in kind for value to be received)

Deposits Recoverable	1819192		1799037	
Advance for Expenses	4351201		7835565	
Advance for Purchases	3845909		2993414	
Other Advances/VAT Refundable	9546504		28562369	
		<u><u>19562806</u></u>		<u><u>41190385</u></u>



Sri Vajra Granites Limited

(Amount in Rupees)

SCHEDULE - 8: CURRENT LIABILITIES & PROVISIONS

AS AT 31.03.2010

AS AT 31.03.2009

Current Liabilities :

a) Sundry Creditors	23691000	5056869
b) Liability for Expenses	5002317	6607466
c) Other Liabilities	4589784	4443889
d) Advance Against Sales	5184833	7391544

Provisions :

Provision for Income Tax (MAT)	0	0
(FBT)	0	128763
	<u>38467934</u>	<u>23628531</u>

SCHEDULE - 9: SALES

FOR THE YEAR
ENDED 31.03.2010

FOR THE YEAR
ENDED 31.03.2009

Sale of Polished Slabs / Tiles less returns	86463402	121186649	
Less: Excise Duty	640964	85822438	1399175
		<u>85822438</u>	<u>119787474</u>
			<u>119787474</u>

SCHEDULE - 10: OTHER INCOME

FOR THE YEAR
ENDED 31.03.2010

FOR THE YEAR
ENDED 31.03.2009

Interest Received/Earned		177210	138185
Credit Written Back		181628	491685
Profit on sale of Fixed Assets		155000	0
Foreign Exchange fluctuation		0	644311
		<u>513838</u>	<u>1274181</u>

SCHEDULE - 11: INCREASE/DECREASE IN FINISHED & PROCESSED STOCK

FOR THE YEAR
ENDED 31.03.2010

FOR THE YEAR
ENDED 31.03.2009

1. Opening Stock:

a. Sawn Slabs	33059325	43068840	
b. Polished Slabs/Tiles	<u>171635</u>	<u>182230</u>	43251070

2. Closing Stock:

a. Sawn Slabs	33763462	33059325	
b. Polished Slabs/Tiles	<u>167348</u>	<u>171635</u>	33230960
		<u>699850</u>	<u>-10020110</u>



(Amount in Rupees)

SCHEDULE - 12: SALARIES & OTHER BENEFITS TO EMPLOYEES	FOR THE YEAR ENDED 31.03.2010	FOR THE YEAR ENDED 31.03.2009
---	-------------------------------	-------------------------------

Salaries, Wages & Other Allowances	4881454	4314148
Staff Welfare	232147	356382
Contribution to Provident Fund	546002	530537
Gratuity	329162	163604
Bonus	287184	272927
	<u>6275949</u>	<u>5637598</u>

SCHEDULE - 13: MANUFACTURING EXPENSES	FOR THE YEAR ENDED 31.03.2010	FOR THE YEAR ENDED 31.03.2009
---------------------------------------	-------------------------------	-------------------------------

Raw Material Consumed :

(I) Opening Stock of Raw Material	22484225	25017756	
(ii) Purchase of Raw Material/			
Transferred from Quarries	51524426	68092381	
	<u>74008651</u>	<u>93110137</u>	
Less: Closing Stock of Raw Material	<u>17677916</u>	<u>22484225</u>	70625912
Stores & Spares Consumed	25362263		25595828
Power & Fuel	6443436		7593277
Repairs & Maintenance :			
Repairs to Machinery	2290570		1887862
	<u>90427004</u>		<u>105702879</u>

SCHEDULE -14:INTEREST & FINANCE CHARGES	FOR THE YEAR ENDED 31.03.2010	FOR THE YEAR ENDED 31.03.2009
---	-------------------------------	-------------------------------

Interest on Working Capital & Finance Charges	2878576	4315145
Interest & Finance Charges	44941	110019
	<u>2923517</u>	<u>4425164</u>



Sri Vajra Granites Limited

(Amount in Rupees)

SCHEDULE - 15 : ADMINISTRATIVE & SELLING EXPENSES	FOR THE YEAR ENDED 31.03.2010	FOR THE YEAR ENDED 31.03.2009		
Administrative Expenses :				
Rent	456000	758770		
Postage & Telegrams	106267	122620		
Telephone, Telex, Fax Expenses	325539	308321		
Travelling & Conveyance	680070	440102		
Advertisement	55487	28955		
Directors Remuneration	528000	510126		
Directors Sitting Fee	141000	129000		
Vehicle Maintenance	1053555	984766		
Rates & Taxes	102700	136112		
Licence, Documentation & Filing Fee	91871	48060		
Consultancy & Professional Charges	184917	174609		
Printing & Stationery	166594	162800		
Insurance	178554	208899		
Factory Maintenance	1431723	1256267		
Bank Charges	363213	476062		
General Expenses	1320471	925981		
Foreign Tour Expenses	0	146146		
Service Tax and MOT charges	18835	165684		
Auditors Remuneration :				
a) As Auditor	49635	49635		
b) For Tax Audit	22060	22060		
c) For Certification	41914	28090		
d) I.T Representation	15000	15000		
e) I.T Appeal Representation	0	20000	134785	
Selling Expenses :				
a) Transport & Freight	53464	258615		
b) Sales Promotion	38899	64647		
c) Packing Material consumed	2385636	2519520		
d) Other Selling Expenses & Forwarding Charges	2262420	1674995		
e) Foreign Exchange Fluctuations	160944	0		
f) VAT/Sales Tax	436953	0		
g) ECGC Premium	268799	5607115	323875	4841652
Other Expenses:				
a) Loss on sale of Fixed Assets	36833	0	0	
b) Misc Debit Writtenoff	160249	197082	0	0
		13137602		11959717



SCHEDULE 16: NOTES FORMING PART OF ACCOUNTS:

1. CONTINGENT LIABILITIES:

- a) Counter guarantees given to the Banks in respect of guarantees given by them amount to **Rs. Nil** (Previous year Rs. Nil)
- b) Estimated amounts of contracts to be executed on capital account and not provided for (Net of advance) come to Rs. **Nil** (Previous year Rs. Nil)

2. SIGNIFICANT ACCOUNTING POLICIES:

a) Accounting Assumptions:

The accounts have been prepared under the historical cost convention on the basis of a going concern, with revenues recognized and expenses accounted on their accrual, including provisions/adjustments for committed obligations and amounts determined as payables or receivables during the year.

b) Fixed Assets:

- i) On the fixed assets, other than quarries, put to use depreciation has been provided on quarterly basis on straight line method as per the amended Schedule XIV of the Companies Act – 1956.
- ii) Depreciation on quarries, owing to depletion, is charged taking the life of each quarry estimated at 30 years.
- iii) Fixed assets are stated at historical costs, which include freight, installation cost, duties, taxes and other direct / incidental expenses.

c) Inventories:

- i) Raw materials, stores, consumables, spares, tools and packing materials are valued at weighted average cost.
- ii) Finished and Processed goods are valued at total cost (excluding selling expenses, interest & finance charges) or net realizable value whichever is lower.

d) Foreign Currency transactions:

- i) Export sales are accounted at the exchange rates prevailing as on the dates of sale. Gain/loss arising out of fluctuations in the exchange rates has been treated as income/ expenditure, on realization.
- ii) Imports of consumables, spares etc., are accounted at the rates actually paid for.

e) Gratuity

Gratuity is accounted for based on the assumption that it becomes payable only at the end of accounting year to all the entitled employees.

3. REMUNERATION TO THE WHOLETEIME DIRECTORS:

	<u>Salary</u>		<u>Perquisites</u>	
	<u>2009-10</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2008-09</u>
Managing Director	5,28,000	4,95,426	3,33,360	3,43,971
Executive Director	Nil	14,700	Nil	1,764



Sri Vajra Granites Limited

4. VALUE OF RAW MATERIAL, STORES & SPARES CONSUMED:

	<u>Raw Material</u>				<u>Stores & Spares</u>			
	<u>2009-10</u>		<u>2008-09</u>		<u>2009-10</u>		<u>2008-09</u>	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Imported			8684087	12	15802525	62	19014575	74
Indigenous	56330735	100	61941825	88	9559737	38	6581253	26
	56330735	100	70625912	100	25362262	100	25595828	100

5. QUANTITATIVE PARTICULARS AS REQUIRED UNDER PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956.

a) Licensed Capacity p.a.:

	<u>2009-10</u>	<u>2008-09</u>
i) Cut and polished granite Slabs & Tiles (Sq.mtrs)	1,12,000	1,12,000
ii) Cut and polished granite Monuments & Decorative pieces (Sq.mtrs)	15,000	15,000

b) Installed Capacity p.a.:

i) Cut and polished granite Slabs & Tiles (Sq.mtrs)		
— Gangsaws	80,000	80,000
— Block cutters	10,000	10,000

c) Production

Factory:

i) Sawn Slabs Gangsaws (Sq.mtrs)	51,743	65,422
ii) Polished Slabs (Sq.mtrs)	50,232	63,040

d) Raw Material Consumed/Sold:

	<u>2009-10</u>		<u>2008-09</u>	
	<u>QTY (Cu.m)</u>	<u>VALUE IN Rs</u>	<u>QTY (Cu.m)</u>	<u>VALUE IN Rs</u>
Granite Blocks	1842.981	56330735	2099.256	70625912

e) Finished, Processed and Traded Goods

	<u>2009-10</u>		<u>2008-09</u>	
	<u>QTY (Sq.mtrs)</u>	<u>VALUE IN Rs</u>	<u>QTY (Sq.mtrs)</u>	<u>VALUE IN Rs</u>
Opening Stock				
i) Sawn Slabs	16954	3,30,59,325	21009	4,30,68,840
ii) Polished Slabs	85	1,71,635	85	1,82,230
Closing Stock				
i) Sawn Slabs	17315	3,37,63,462	16954	3,30,59,325
ii) Polished Slabs	85	1,67,348	85	1,71,635
Purchase of Finished Goods for Exports				
i) Polished Granite Slabs/Tiles	Nil	Nil	105	1,58,200



	<u>2009-10</u>		<u>2008-09</u>	
	<u>QTY (Sq.mtrs)</u>	<u>VALUE IN Rs</u>	<u>QTY (Sq.mtrs)</u>	<u>VALUE IN Rs</u>
f) Sales				
i) Polished Slabs and Tiles	50232	8,64,63,402	65422	12,10,85,795
ii) Granite Blocks (CBM)			22	1,00,854
6. Expenditure incurred in Foreign Currency:			<u>2009-10</u>	<u>2008-09</u>
a) CIF Value of Imported Capital Goods			-----	-----
b) CIF Value of Imported Consumables and Spares			1,27,96,907	2,00,61,251
c) CIF Value of Imported Raw Material			Nil	91,53,089
d) On Overseas Travel			Nil	39,146
7. Foreign Exchange Earnings				
FOB Value of Exports in Rupees			1,66,30,356	2,90,68,076
8. Advance against share capital represents the advance received from the Promoters towards Rights Issue share application money.				

9. BUSINESS SEGMENTS:

The Company is predominantly engaged in the export of polished slabs. Its domestic sales are negligible/not material. So in terms of the accounting standard 17 on Segment reporting issued by the Institute of Chartered Accountants of India (ICAI), this is considered to constitute one single primary segment. In view of the above there is no reportable segment for the year.

- 10.** As on 31/03/2010 there are no amounts payable to units covered under section 22 of Macro, Small & Medium Enterprises Development Act – 2006.
- 11.** Pursuant of Accounting Standard 22 (AS-22) i.e. Accounting for Taxes on Income issued by The Institute of Chartered Accountants of India, the deferred tax assets (net) as on 31/03/2009 works out to Rs.6.14 lakhs. As a measure of prudence and as recommended under As-22, the same has not been currently recognized in the accounts. Similarly, the deferred tax assets (net) of Rs. 12.85 lakhs as on 31st March 2010 has not been recognized in the profit and loss Account for the year ended 31st March 2010.

Break-up of Deferred Tax Assets and (Liabilities) into major components of the respective balances are as under:

	Deferred Tax Assets / Liabilities		(Rs. In Lakhs)
	As on 31/03/2010	As on 31/03/2009	
Tax Impact of unabsorbed depreciation as per I.T.Act.	-	-	
Tax Impact of expenses charged off in the financial Statement but allowance under tax laws deferred	-	-	
Tax impact due to difference between tax depreciation and book depreciation	12.85	6.14	
Total	12.85	6.14	



Sri Vajra Granites Limited

12. Previous year's figures have been regrouped, re-classified and re-cast wherever necessary so as to make them correspond with the Current year's figures and are rounded off of the nearest Rupee.

As per our report of even date
For I. SUDHAKER & CO,
Chartered Accountants
FR No 006271S

for and on behalf of the Board of Directors
of SRI VAJRA GRANITES LIMITED

Sd/-
I. SUDHAKER
Proprietor

Sd/-
A. SRINIVAS REDDY
Managing Director

Sd/-
K.V.V. SATYANARAYANA
Finance Manager I/C

Sd/-
S. SURYANARAYANA
Company Secretary

Sd/-
K.S. KAMESWARA SARMA
Chairman

Place: Hyderabad
Date: 12.08.2010



THE ADDITIONAL INFORMATION UNDER PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956, FORMING PART OF THE ACCOUNTS FOR THE FINANCIAL YEAR 2009-2010.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS:

Registration No.	:	09590
State Code	:	01
Balance Sheet Date	:	31.03.2010

II. CAPITAL RAISED DURING THE YEAR (Amount Rs. in lakhs)

Public Issue	Right Issue
Nil	Nil
Bonus Issue	Private Placement
Nil	Nil

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Rs, in lakhs)

Total Liabilities	Total Assets
700.14	1651.98

SOURCES OF FUNDS:

Paid-up-Capital	Reserves & Surplus
726.29	225.47
Secured Loans	Unsecured Loans
304.68	Nil
Advance against Share Capital	
10.79	

APPLICATION OF FUNDS:

Net Fixed assets	Investments
463.50	Nil
Net Current Assets	Misc. Expenditure
803.72	Nil

IV. PERFORMANCE OF COMPANY: (Amount Rs. in lakhs)

Turnover & Other income	Total Expenditure	Profit for the year before tax
883.21	1179.37	296.16 (Loss)
Basic and diluted earning per Share Rs. Nil	Profit for the year after tax	296.16 (Loss)

V. GENERIC NAMES OF COMPANY'S PRINCIPAL PRODUCTS/SERVICES

(As per monetary terms)	
Product Description	: Only one product viz Granite Slabs

As per our report of even date

For I. SUDHAKER & CO,
Chartered Accountants
FR No 006271S

for and on behalf of the Board of Directors
of SRI VAJRA GRANITES LIMITED

Sd/-
I. SUDHAKER
Proprietor

Sd/-
A. SRINIVAS REDDY
Managing Director

Sd/-
K.V.V. SATYANARAYANA
Finance Manager I/C

Sd/-
S. SURYANARAYANA
Company Secretary

Sd/-
K.S. KAMESWARA SARMA
Chairman

Place: Hyderabad
Date: 12.08.2010



CASH FLOW STATEMENT FOR THE PERIOD ENDED 31/03/2010

Item No.	PARTICULARS	Amount Rs. 31.03.2010	Amount Rs. 31.03.2010	Amount Rs. 31.03.2009	Amount Rs. 31.03.2009
A.	Cash Flow from Operating Activities				
	Net Profit/(Loss) before Tax after & Extraordinary items	(29615667.00)		(6384585.00)	
	Adjustments for:				
	Interest Received /Earned	(177210.00)		(138185.00)	
	Profit/Loss on Sale of Fixed Assets	(155000.00)		0.00	
	Unsecured Loans Writtenoff	(645000.00)		0.00	
	Depreciation	5173210.00		5212732.00	
	Interest & Finance Charges	2923517.00		4425164.00	
	Operating Profit/(Loss) before Working Capital changes	<u>(22496150.00)</u>		<u>3115126.00</u>	
	Adjustments for:				
	Increase/Decrease in inventories	3609928.00		12331112.00	
	Increase/Decrease in Sundry Debtors	2235499.00		4372105.00	
	Increase/Decrease in Other Current Assets/ Loans & Advances	21594698.00		(13578663.00)	
	Increase/Decrease in Current Liabilities	14839403.00		(4015248.00)	
	Increase/Decrease in Export Packing Credit/BD	<u>(9405453.00)</u>		<u>2176864.00</u>	
	Cash generated from operations	10377925.00		4401296.00	
	Interest & Finance Charges paid	(2923517.00)		(4425164.00)	
	Interest Received	<u>177210.00</u>		<u>138185.00</u>	
	Net Cash Flow from operating Activities		7631618.00		114317.00
B.	Cash Flow from Investing Activities:				
	Purchase/Additions of Fixed Assets	3155054.00		(10122.00)	
	Sale of Fixed Assets	<u>376411.00</u>		<u>0.00</u>	
	Net Cash used in Investing Activities		(2778643.00)		(10122.00)
C.	Cash Flow from Financing Activities				
	Proceeds from secured loans	280000.00		0.00	
	Allotment of Shares	0.00		0.00	
	State Subsidy	0.00		730587.00	
	Repayment of Loans / Advance for Shares / Un Secured Loans	<u>227807.00</u>		<u>(1058492.00)</u>	
	Net Cash used in Financing Activities		52193.00		(327905.00)
	Net increase in Cash & Cash Equivalents		4905168.00		(223710.00)
	Opening Balance of Cash and Cash Equivalents		<u>1783104.00</u>		<u>2006814.00</u>
	Closing Balance of Cash and Cash Equivalents		<u>6688272.00</u>		<u>1783104.00</u>

Notes:i) Cash and Cash equivalents include Cash on hand and in bank accounts, Margin Money Deposits etc.

ii) Figures in brackets represent Cash outflow.

As per our report of even date

For I. SUDHAKER & CO,
Chartered Accountants
FR No 006271S

for and on behalf of the Board of Directors
of SRI VAJRA GRANITES LIMITED

Sd/-
I. SUDHAKER
Proprietor

Sd/-
A. SRINIVAS REDDY
Managing Director

Sd/-
S. SURYANARAYANA
Company Secretary

Sd/-
K.V.V. SATYANARAYANA
Finance Manager I/C

Sd/-
K.S. KAMESWARA SARMA
Chairman

Place: Hyderabad

Date: 12.08.2010

SRI VAJRA GRANITES LIMITED

6-3-347/22/10/2, Flat No.202, 2nd Floor, Sai Villa Apartment, Dwarakapuri Colony, Punjagutta, Hyderabad - 500 082. A.P.

Twenty First Annual General Meeting

ATTENDANCE SLIP-CUM-ENTRY PASS

(To be handed over at the entrance of the meeting hall)

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company. I hereby record my presence at the TWENTY FIRST ANNUAL GENERAL MEETING of the Company being held on Thursday, the 30th day of September, 2010 at 11.30 a.m. at Sundarayya Vignana Kendram (Kala Nilayam), 1-8-1/B/25/A, Baghlingampally, Hyderabad-44.

Full Name of the Member (in Block Letters) _____ Signature _____

Folio No _____ DP ID No* _____ Client ID No* _____

*Applicable for Member holding shares in electronic form.

Full Name of the Proxy (in Block Letters) _____ Signature _____

Note: 1) Members are requested to advise the change if any in thier address quoting their Folio No.(s) to M/s. Big Share Pvt. Ltd., G-10, Left Wing, Amrutha Ville, Opp. Yashoda Hospital, Rajbhavan Road, Somajiguda, HYDERABAD - 500 082.



SRI VAJRA GRANITES LIMITED

6-3-347/22/10/2, Flat No.202, 2nd Floor, Sai Villa Apartment, Dwarakapuri Colony, Punjagutta, Hyderabad - 500 082. A.P.

FORM OF PROXY

I/We _____
of (Address) _____

being a Member/Members of SRI VAJRA GRANITES LIMITED hereby appoint _____ of

(Address) _____ or failing him/her _____

of (Address) _____ or failing him/her _____

of (Address) _____ as my/our Proxy to attend and vote for me/us and on my/our behalf at the TWENTY FIRST ANNUAL GENERAL MEETING of the Company to be held on Thursday, the 30th day of September 2010, at 11.30 am. at Sundarayya Vignana Kendram (Kala Nilayam), 1-8-1/B/25/A, Baghlingampally, Hyderabad – 500 044 and at any adjournment thereof.

Dated this _____ day of _____ 2010.

Folio No. _____ DP ID No* _____ Client ID No* _____

*Applicable for Member holding shares in dematerialized / electronic form.

Signature _____



No. of Shares held:

This form can be used in *favour of/ *against the resolution. Unless otherwise instructed, the Proxy will act as he/she thinks fit.

*Strike out whichever in not desired.

Note:

- A Proxy need not be a Member of the Company
- The Proxy Form should be signed, across the Revenue Stamp, as per the specimen signature(s) registered with the Company.
- The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the stipulated time for holding the Meeting.

BOOK POST



If undelivered please return to :

Sri Vajra Granites Limited

6-3-347/22/10/2, Flat No.202,
2nd Floor, Sai Villa Apartment,
Dwarakapuri Colony, Punjagutta,
Hyderabad – 82. A.P