



6-3-347/22/10/2, Flat No.: 202,
IInd Floor, Sai Villa Appartment,
Dwarakapuri Colony, Punjagutta,
Hyderabad - 500 082, Telangana.
Tel :+91-40-23355695
E-mail : srivajragranites@gmail.com
www. srivajragranites.com
CIN : L14102TG1989PLC009590

08.10.2016

To
The Corporate Relationship Department
BSE Limited
P J Towers, Dalal Street Fort,
MUMBAI.

Dear Sir,

Sub: Submission of Annual Report for the Financial Year 2015-16 - Reg

Script Code: 515081

With reference to above cited subject, we are herewith enclosing Annual Report of the Company for the Financial Year 2015-16 pursuant to Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

This is for you kind information and necessary records.

Thanking you,

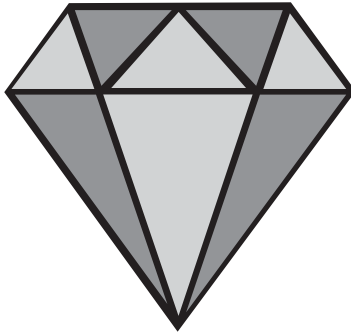
Yours Truly,
For **SRI VAJRA GRANITESLIMITED**

A. Leela

LEELA ANNAPUREDDY
Managing Director

Encl: As Above

Sri Vajra Granites Limited



27th Annual Report 2015-16



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SRI VAJRA GRANITES LIMITED

CIN: L14102TG1989PLC009590

BOARD OF DIRECTORS:

SRI KOMPELLA SURYA KAMESWARA SARMA	:	Chairman (upto 30.05.2016)
SMT LEELA ANNAPAREDDY	:	Managing Director (w.e.f 04.04.2016)
SRI SRINIVAS REDDY ANNAPUREDDY	:	Director (w.e.f 04.04.2016)
SRI SAYAREDDY CHENNOLLA	:	Director
SRI RANGAREDDY METTU	:	Director
SRI PRABHU REDDY KANDULA	:	Additional Director (w.e.f 30.12.2015)
SRI K V V SATYANARAYANA	:	Chief Financial Officer (CFO) (w.e.f 30.12.2015)

AUDITORS:

: **M/s. I. Sudhaker & Co.,**
Chartered Accountants
H. No. 6-3-1091/13 to 15, Flat No. 115
Amrutha Ville, Rajbhavan Road
Somajiguda, Hyderabad – 500 082

BANKERS:

: **Andhra Bank**
Kamareddy Branch
Kamareddy – 503 111

REGISTERED OFFICE & WORKS:

: H. No. 6-3-347/22/10/2, Flat No. 202
IInd Floor, Sai Villa Apartment
Dwarkapuri Colony, Punjagutta
Hyderabad – 500 082
Tel : 040-23355695
Fax: 040-23352830
E-mail ID : srivajragranites@gmail.com
Website : www.srivajragranites.com

REGISTRARS & SHARE TRANSFER AGENTS

: **M/s. Big Share Services Pvt. Ltd.,**
306, 3rd Floor, Right Wing
Amrutha Ville, Opp. Yashoda Hospital
Raj Bhavan Road, Somajiguda
Hyderabad – 500 082
Email: bsshyd@bigshareonline.com
Phone: 040-23374967

WORKS

: Basvapuri Village,
Bhikanoor Mandal,
Kamareddy Taluq,
Nizamabad District,
Telangana.



NOTICE

Notice is hereby given that the **Twenty Seventh Annual General Meeting** of the Members of the Company will be held on **WEDNESDAY, 28th SEPTEMBER, 2016** at **11.00 A. M.** at H.No. 1-8-1/B/25/A, Sundarayya Vignana Kendram, Baghlingampally, Hyderabad – 500 044 to transact the following items of business:

ORDINARY BUSINESS:

1. Adoption of Financial Statements:

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2016 along with the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. A Srinivas Reddy, who retires by rotation and being eligible, offers himself for re-appointment.

3. Ratification of Appointment of Auditors:

To ratify the appointment of Auditors of the Company, who were appointed at the Twenty Fifth Annual General Meeting to hold office for a period of 3 years till the conclusion of the Annual General Meeting of the company to be held in the financial year 2017 and to authorize the Board of Directors to fix their remuneration for the financial year 2015-16.

SPECIAL BUSINESS:

4. TO APPOINT MRS. LEELA ANNAPUREDDY AS MANAGING DIRECTOR OF THE COMPANY:

To consider and if thought fit, to pass with or without modification(s), the following resolution as ORDINARY RESOLUTION:

“RESOLVED THAT in accordance with the provisions of Sections 196, 203 and 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder, if any, consent of the Company be and is hereby accorded for appointment of Mrs. Leela Annapureddy (DIN: 02548781) as Managing Director of the Company, for a period of 5 (Five) years with effective from 04.04.2016 at a remuneration of Rs.3,60,000 (Rupees Three Lakhs & Sixty Thousand only) per annum as recommended by the Remuneration Committee of the Company with such yearly increment on time scale basis as may be decided by the Board, provided that such remuneration does not exceed the limits specified under Section 197 read with Schedule V of the Act.”

“FURTHER RESOLVED THAT the Board of Directors of the Company or any committee thereof be and is hereby also authorized to amend, alter, modify or otherwise vary the terms and conditions of appointment of Mrs. Leela Annapureddy, Managing Director, including the components of the above mentioned remuneration payable to her subject to provisions of the Act.”

5. APPOINTMENT OF MR. PRABHU REDDY KANDULA AS INDEPENDENT DIRECTOR OF THE COMPANY:

To consider and if thought fit, to pass with or without modification(s), the following resolution as ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 & Rules made there under read with Schedule IV to the Act and Article No. 80 of the Articles of Association, Mr. Prabhu Reddy Kandula (DIN: 07382465) a Non-Executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment as an Independent Director and in respect of whom the company has received a notice in writing under section 160 of the Companies Act, 2013 proposing his candidature for the office of Directorship, be and is hereby appointed as Independent Director on the Board of Directors of the Company to hold office from 28th September, 2016 to 27th September, 2021.”

Place: Hyderabad

By Order of the Board

Date: 12.08.2016

For **SRI VAJRA GRANITES LIMITED**

Sd/-
LEELA ANNAPAREDDY
Managing Director
DIN: 02548781



NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than 50 members and holding in aggregate not more than 10% of the total Share Capital of the Company. Members holding more than 10% ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member.

Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of Board Resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.

The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the business in Item No. 4 & 5 is annexed hereto.
3. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
4. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 24th September, 2016 to 28th September, 2016 (both days inclusive)
6. Members are requested to quote ledger folio number in all their correspondence to avoid delay in communication. Members are advised to consolidate their ledger folios where they are holding shares in different folios in the same name.
7. Additional information pursuant to Regulation 36 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 in respect of Directors seeking appointment/re-appointment at the AGM are furnished and forms a part of Notice. The Directors have furnished the requisite consents/declarations for their appointment/re-appointment as per Companies Act, 2013 and rules thereunder.
8. In terms of Sections 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the listed companies may send the notice of annual general meeting and the annual report, including Financial statements, Board Report, etc. by electronic mode. The Company is accordingly forwarding soft copies of the above referred documents to all those members who have registered their email ids with their respective depository participants or with the share transfer agent of the Company.
9. To promote green initiative, members are requested to register their e-mail addresses through their Depository Participants for receiving the future communications by e-mail. Members holding the shares in physical form may register their e-mail addresses through the RTA, giving reference of their Folio Number.
10. Members/Proxies should bring the duly filled attendance slip enclosed herewith to attend the Meeting.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
12. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9



A.M. to 5 P.M.) on all working days except Saturdays and Sundays, up to and including the date of the Annual General Meeting of the Company.

13. Voting through electronic means

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, the Company is providing facility to the members to exercise their right to vote at the 27th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting platform provided by Central Depository Services (India) Limited. (CDSL). The facility of voting through ballot paper will also be made available at the AGM and member attending the AGM, who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Member who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.

The instructions for e-voting are as under:

- (a) Use the following URL for e-voting: CDSL website: <https://www.evotingindia.com>
- (b) Shareholders of the Company holding shares either in physical form or in dematerialized form, as on 21st September, 2016 may cast their vote electronically.
- (c) Click on Shareholders.
- (d) The shareholders can login to the e-Voting system using their user-id (i.e. demat account number), PAN and Date of Birth (DOB) or Bank account number mentioned for the said demat account or folio.
- (e) Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (f) Next enter the Image Verification as displayed and Click on Login.
- (g) Follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Bank Account or Date of Birth (DOB)	Enter the Bank Account or Date of Birth (DD/MM/YYYY format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please

- (h) After entering these details appropriately, click on "SUBMIT" tab.
- (i) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat



holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (j) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (k) Click on the EVSN for **Sri Vajra Granites Limited** on which you choose to vote.
 - (l) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (m) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - (n) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - (o) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (p) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
 - (q) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (r) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
 - (s) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - (t) The Portal will be open for voting from 9 A.M. on 24th September, 2016 to 5 P.M. on 27th September, 2016.
 - (u) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- II. The Company has appointed Mr. Vasanth Kumar Bajaj, Practicing Company Secretary, as the Scrutinizer who will collate the electronic voting process in a fair and transparent manner.
- III. The results of e-voting will be announced by the Company on CDSL Evoting website and also informed to the stock exchanges.



EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

Item No. 4

The Board of Directors at their meeting held on 04th April, 2016 appointed Mrs. Leela Annapureddy as a Managing Director of the Company with effect from 04.04.2016 for a period of five years with effect from the said date.

The approval of the members is being sought to the terms, conditions and stipulations for the appointment of Mrs. Leela Annapureddy as the Managing Director and the remuneration payable at a remuneration of ₹ 3,60,000 (Rupees Three Lakhs & Sixty Thousand Only) subject to review by the board on time scale basis. The aggregate of the salary and perquisites in any financial year shall not exceed the limits prescribed from time to time under sections 197 read with Schedule V and other applicable provisions of the Companies Act, 2013.

Minimum Remuneration

In the event of loss or inadequacy of profits, in any financial year during the currency of tenure of office, the payment of remuneration shall be governed by the limits prescribed under section II of part II of Schedule V to the Companies Act, 2013, including any statutory modification or re-enactment thereof, for the time being in force.

Statement pursuant to Schedule-V of the Companies Act, 2013

I. General Information	
Nature of industry	Granite Industry
Date or expected date of commencement of commercial production	10.02.1989
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable.
Financial performance based on given indicators	The details of financial performance of the Company for the years 2014-15 and 2015-16 are provided in the Annual Report 2016 which accompanies this Notice.
Foreign investments or collaborations, if any	Nil.
II. Information about the appointee	
Background details	Mrs. Leela Annapureddy is Promoter of the Company and on the board of the Company since 29.09.2009.
Past remuneration	Nil
Recognition or awards	Being a Promoter, she has tremendously contributed to the welfare of the Company.
Job profile and her suitability	She is responsible for overall supervision of the functioning of the company including Products, Procurement, Marketing, handling day to day affairs of the Company, regularly reporting to the Board on the activities of the Company.
Remuneration proposed	The proposed remuneration of Rs. 3.60 Lakhs per Annum, comprise of monthly basic salary and all other perquisites and is fully justifiable and profile with respects to comparable to that prevailing in the industry, keeping in view the profile and the position of Managing industry, size of the Company.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mrs. Leela Annapureddy is one of the Promoter.



III. Other Information	
Reasons of loss or inadequate profits	Major reason being that 80% to 90% are small Quarries and non-captive and they are under no control as to the disposal of the rough blocks of the Granite with them. They can directly export the raw material unprocessed. Due to this Company is denied the supply of raw materials and there is under-employment of Plant's permanent costly foreign machinery, permanent labour, incidence of administrative costs, financial costs etc. added with ongoing inflation, the plant's input costs are also mounting up.
Steps taken or proposed to be taken for improvement	The Company undertook several steps aimed at lowering the overheads and aligning resources with current levels of operations. The company consolidated all its manufacturing facilities to cut down on overheads and to extract supply chain synergies last year. Company will try to get captive mining license to improve supply of raw materials. The Company continues to focus on product innovation, upholding of its high quality standards, increase in its cost competitiveness and on widening of its distribution network.
Expected increase in productivity and profits in measurable terms	The management has adopted focused and aggressive business strategies in all spheres of functions to improve the sales and profitability of the Company. Considering the present business scenario, the Company is expecting increase in revenue and profitability. The Management is confident of keeping a higher growth ratio in the period to come.

Except Mrs. Leela Annapareddy and Mr. Srinivas Reddy Annapureddy, none of the Directors are in any way concerned or interested in the said resolution.

Item No. 5:

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Prabhu Reddy Kandula will hold office upto the date of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from the Director himself along with a deposit of ₹ 1,00,000/- proposing his candidature for office of Director.

Pursuant to provisions of Section 152 of the Companies Act, 2013, any appointment of Director requires the approval of the members; hence these resolutions are put up for approval of members.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said resolution.

By Order of the Board
For **SRI VAJRA GRANITES LIMITED**

Place: Hyderabad
Date: 12.08.2016

Sd/-
LEELA ANNAPAREDDY
Managing Director
DIN: 02548781



DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

(In pursuance of Regulation 36 (3) of the Listing Regulations.)

Name of Director	Mr. Prabhu Reddy Kandula
DIN No.	07382465
Date of Birth	29.03.1988
Date of First Appointment	30.12.2015
Experience in Specific Functional Area	Marketing
No. of Shares held in the company	Nil
Qualification	MBA

Name of Director	Mr. Srinivas Reddy Annapureddy
Date of Birth	14.11.1980
Date of First Appointment	30.01.2007
Experience in Specific Functional Area	He is Managing Director of the Company since 2009 and has experience of more than 7 years in Management & Administration Granite Industry and well versed in Computer Management Control
No. of Shares held in the company	6,68,545 Fully Paid-up Equity Shares of Rs. 10/- each
Educational Qualification	M.S. in Computer Science, USA

Name of Director	Mrs. Leela Annapureddy
Date of Birth	01.01.1957
Date of First Appointment	29.09.2009
Experience in Specific Functional Area	Very good knowledge of various aspect of Granite Industry and experience of more than decade in the Company
No. of Shares held in the company	7,26,893 Fully Paid-up Equity Shares of Rs.10/- each
Educational Qualification	P.U.C



DIRECTORS' REPORT

To
The Members

Your Directors have pleasure in presenting the Twenty Seventh Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2016.

1. REVIEW OF PERFORMANCE:

(In ₹)

Particulars	Current Year 31.03.2016	Previous Year 31.03.2015
Revenue from Operations	1,45,18,601	4,35,33,138
Other Income	1,08,78,672	10,11,795
Total Income	2,53,97,273	4,45,44,933
Total Expenses (Including exceptional items)	5,49,27,194	6,57,68,649
Finance Charges	28,13,137	31,22,662
Depreciation & amortization	21,38,081	32,23,376
Net Profit/(Loss) Before Tax	(2,97,24,217)	(2,20,63,594)
Provision for tax including Deferred Tax	--	--
Net Profit/(Loss) after tax	(2,97,24,217)	(2,20,63,594)
EPS		
Basic	0	0
Diluted	0	0

2. OPERATIONAL REVIEW:

During the financial year 2015-16, your Company recorded Turnover of Rs. 145.18 Lakhs compared to Turnover of Rs. 435.33 Lakhs and incurred a Net Loss after tax of Rs. 297.24 Lakhs and Net Loss after tax of Rs. 220.64 Lakhs during the previous financial year. Since July, 2015 Company has stopped production due to unviable market conditions and acute financial position of the Company.

During the year Company has sold excess land to the extent of 14 Acres adjacent to factory of the company to repay the Overdue amount of working capital Loan availed from Andhra Bank, settlement of Labour dues and payment of statutory dues. Your Board of Directors are hopeful that the operations of the will improve in the coming financial years.

3. DIVIDEND:

Due to Losses, your directors do not recommend any dividends for the financial year 2015-16

4. DEPOSITS:

Company has not accepted any deposits falling under Section 73 of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014, during the year.

5. SUBSIDIARY / ASSOCIATE COMPANIES:

Your Company did not have any subsidiary or Associate Company for the financial year ended on 31st March, 2016.

In accordance with the provisions of Section 136 of the Companies Act 2013, the audited financial statements and related information of the Company are available on our website. The said information is also available for inspection at the Registered Office of the company during working hours and any member interested in obtaining such information may write to the company and the same will be furnished without any fee and free of cost.



6. STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received necessary declaration from each independent Director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

7. PARTICULARS OF EMPLOYEES:

There are no employees whose particulars are to be furnished pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as the remuneration of none of the employees has crossed the limits specified therein.

Disclosures pertaining to remuneration and other details, in compliance with the Remuneration Policy of the Company as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in Form MGT-9 forming part of the Annual Report.

8. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013 the Directors of your Company hereby confirm that:

- a) In the preparation of Annual Accounts for the year ended 31st March, 2016, the applicable accounting standards have been followed along with the proper explanation relating to material departures, if any, there from;
- b) 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 true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2016 and of the profit and loss of the Company for that period;
- c) 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 frauds and other irregularities;
- d) The Directors have prepared the annual accounts on a going concern basis.
- e) The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

9. BOARD MEETINGS, BOARD OF DIRECTORS, KEY MANAGERIAL PERSONNEL & COMMITTEES OF DIRECTORS:

i) Board Meetings:

The Board of Directors of the Company met **Six** times during the year 2015-16. The gap

S.	Names of Directors	Board Meetings					
		30.05.2015	12.08.2015	30.08.2015	26.10.2015	30.12.2015	12.02.2016
1.	Kompella Surya Kameswara Sarma	Yes	Yes	Yes	Yes	Yes	Yes
2.	Saya Reddy Chennolla	Yes	Yes	Yes	Yes	Yes	Yes
3.	Ranga Reddy Mettu	Yes	Yes	Yes	Yes	Yes	Yes
4.	Leela Annapareddy	Yes	Yes	Yes	Yes	Yes	Yes
5.	Srinivas Reddy Annapureddy	Yes	Yes	Yes	Yes	Yes	Yes
6.	Prabhu Reddy Kandula	--	--	--	--	Yes	Yes



intervening between two meetings of the board is as prescribed in the Companies Act, 2013. The detail of number of meetings attended by each director is as follows:

ii) **Changes in Directors & Key Managerial Personnel:**

During the year, Mr. G. Srinivasa Reddy resigned from the position of Chief Financial Officer (CFO) of the Company w.e.f. 26.10.2015. Further, Mr. Veera Venkata Satyanarayana Katta was appointed as Chief Financial Officer (CFO) of the Company w.e.f. 30.12.2015.

Further, Mr. Prabhu Reddy Kandula was appointed as Additional Director of the Company respectively w.e.f. 30.12.2015 and Company is in receipt of notice proposing his appointment as Independent Director on the Board of the Company. The resolution for appointment is commended for the approval of members.

Further, Mr. Kompella Surya Kameswara Sarma resigned from the Directorship and Chairmanship of the Company w.e.f. 30.05.2016, the Board puts on record its appreciation for services rendered by him during his tenure as director and Chairman of the Company.

iii) **Re-Appointment:**

Mr. A Srinivas Reddy, Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

iv) **Independent Directors:**

The following Independent Directors who were appointed at the 25th Annual General Meeting held on 29th September 2014 for a period of Five (5) years, will continue to be on the Board till the conclusion of Annual General Meeting to be held in the calendar year 2019.

1. Mr. Kompella Surya Kameswara Sarma (upto 30.05.2016)
2. Mr. Saya Reddy Chennolla
3. Mr. Ranga Reddy Mettu
4. Mr. Prabhu Reddy Kandula (w.e.f 30.12.2015)

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Act, that they meet the criteria of independence as laid down in Section 149(6) of the Act.

iv) **Board Committees:**

The Company has the following Committees of the Board:

(a) **Audit Committee:**

The primary objective of Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and transparency in financial reporting. The Company has a qualified and independent Audit Committee comprising of Independent Directors. The Chairman of the Committee is an Independent Director.

➤ **Composition:**

Audit Committee of your Company as on date consists of following Non-executive Independent Directors:

- | | |
|--|--|
| 1. *Mr. Kompella Surya Kameswara Sarma | - Chairman (Upto 30.05.2016) |
| 2. **Mr. Saya Reddy Chennolla | - Chairman (Chairman w.e.f 30.05.2016) |
| 3. Mr. Ranga Reddy Mettu | - Member |
| 4. Mr. Prabhu Reddy Kandula | - Member (w.e.f 30.05.2016) |

The committee met **Four** times during the financial year 30.05.2015, 12.08.2015, 26.10.2015 and 12.02.2016 attendance of each Member of Committee is as follows:



S. No.	Name of the Members	Designation	No. of Meetings held	No. of Meeting attended
1	Kompella Surya Kameswara Sarma	Chairman	4	4
2	Saya Reddy Chennolla	Chairman	4	4
3	Ranga Reddy Mettu	Member	4	4
4.	Prabhu Reddy Kandula	Member	1	1

**Mr. Kompella Surya Kameswara Sarma resigned form the position of Chairmanship w.e.f 30.05.2016*

***Mr. Saya Reddy Chennolla was appointed as Chairman w.e.f 30.05.2016.*

➤ **Terms of Reference:**

- The recommendation for appointment, remuneration and terms of appointment of auditors of the Company
- Review and monitor the auditor's independence and performance and effectiveness of audit process.
- Examination of the financial statement and auditor's report thereon.
- Approval or any subsequent modification of transaction of the company with related parties.
- Scrutiny of intercorporate loans and investments.
- Valuation of undertakings or assets of the company, wherever it is necessary.
- evaluation of internal financial control and risk management systems.
- Monitoring the end use of funds and related matters.
- Others task as may be assigned by the board.

➤ **Review of information:**

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions, as defined by the Committee, submitted by the management;
- c. Management letters/letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. the appointment, removal and terms of remuneration of the Chief Internal Auditor

➤ **Audit Committee Recommendation:**

During the year, all the recommendations of the Audit Committee were accepted by the Board.

(a) Nomination and Remuneration & Compensation Committee:

➤ **Brief description of terms of reference:**

The Nomination and Remuneration Committee is vested with the powers relating to formulating the criteria for determining qualifications, attributes, independence of a directors, recommend to the board policies for executive directors and senior managements.

The Committee shall also identify & screen candidates who qualify to become directors and may be appointed in senior management with the criteria laid down, evaluation of director's performance, approving and evaluating the compensation plans, policies and programs for executive directors and senior managements.

The Chairman of the nomination and remuneration committee could be present at the Annual General Meeting, to answer the shareholders' queries. However, it would be up to the Chairman to decide who should answer the queries.

➤ **Composition:**

The Nomination & Remuneration Committee constitutes of following directors:



1. *Mr. Kompella Surya Kameswara Sarma - Chairman (Upto 30.05.2016)
2. **Mr. Ranga Reddy Mettu - Chairman (Chairman w.e.f 30.05.2016)
3. Mr. Saya Reddy Chennolla - Member
4. Mr. Prabhu Reddy Kandula - Member (w.e.f 30.12.2015)

➤ **Meetings and Attendance during the year:**

The Committee met One time during the financial year 30.05.2016 on and attendance of each Member of Committee is as follows.

S. No.	Name of the Member	Designation	No. of Meetings held	No. of Meetings attended
1	Kompella Surya Kameswara Sarma *	Chairman	1	1
2	Saya Reddy Chennolla	Member	1	1
3	Ranga Reddy Mettu **	Chairman	1	1
4	Prabhu Reddy Kandula	Member	1	1

*Mr. Kompella Surya Kameswara Sarma resigned form the position of Chairmanship w.e.f 30.05.2016

**Mr. Ranga Reddy Mettu was appointed as Chairman w.e.f 30.05.2016

➤ **Remuneration policy and details of remuneration paid to the Directors:**

The policy framed by the Nomination and Remuneration Committee under the provisions of Section 178(4) of the Act, is as below:

The remuneration policy of the Company has been so structured in order to match the market trends of the Granite Industry. The Board in consultation with the Nomination and Remuneration Committee decides the remuneration policy for directors. The Company has made adequate disclosures to the members on the remuneration paid to Directors from time to time. Remuneration / Commission payable to Directors is determined by the contributions made by the respective directors for the growth of the Company.

Presently, the non-executive Directors do not receive any remuneration from the Company except sitting fees.

The aggregate value of salary and perquisites for the year ended 31.03.2016 to Managing Director is as under:

Name	Designation	Remuneration paid / to be paid for Financial Year 2015-16 (in .)		
		Salary & Perks	Commission	Total
Srinivas Annappureddy	Managing Director	9,51,939	-	9,51,939

(c) Stakeholders' Relationship Committee:

Composition of Stakeholders Relationship Committee is as follows.

1. Mr. Kompella Surya Kameswara Sarma - Chairman (Upto 30.05.2016)
2. Mr. Ranga Reddy Mettu - Chairman (Chairman w.e.f 30.05.2016)
3. Mr. Srinivas Reddy Annappureddy - Member
4. Mr. Saya Reddy Chennolla - Member (w.e.f 30.05.2016)

*Mr. Kompella Surya Kameswara Sarma resigned form the position of Chairmanship w.e.f 30.05.2016

**Mr. Ranga Reddy Mettu was appointed as Chairman w.e.f 30.05.2016



The role of Stakeholders' Relationship Committee is as follows:

1. considering and resolving the grievances of shareholders of the Company with respect to transfer of shares, non-receipt of annual report, non-receipt of declared dividend, etc.;
2. ensuring expeditious share transfer process in line with the proceedings of the Share Transfer Committee;
3. evaluating performance and service standards of the Registrar and Share Transfer Agent of the Company;

Sub-committees:

Share transfer Committee

Our Share Transfer Committee meets often as required.

vi) Board Evaluation:

As required under the provisions of Section 134(3)(p), the Board has carried out an annual performance evaluation of its own performance, and the manner in which such performance evaluation was carried out is as under.

The performance evaluation framework is in place and has been circulated to all the directors to seek their response on the evaluation of the entire Board and independent directors. The Nomination and Remuneration & Compensation Committee shall carry out evaluation of Director's performance.

The criteria of evaluation is exercise of responsibilities in a bona fide manner in the interest of the Company, striving to attend meetings of the Board of Directors/ Committees of which he is a member / general meetings, participation constructively and actively in the meetings of the Board /committees of the Board etc.

vii) Vigil Mechanism:

The Company has established a whistle-blower policy and also established a mechanism for Directors and employees to report their concerns.

➤ Whistle Blower Policy:

The Company has established a mechanism for employees to report concerns about unethical behaviors, actual or suspected fraud, and violation of Code of Conduct of the Company etc. The mechanism also provides for adequate safeguards against victimization of employees who avail the mechanism and also provides for direct access by the Whistle Blower to the Audit Committee. We affirm that during the Financial Year 2015-16, no employee has been denied access to the Audit Committee.

viii) Related Party Transactions:

Company has not entered into any transaction with the related parties during the financial year. Hence requirement of disclosure under Section 134(3)(h) r/w Rule 8 of the Companies (Accounts) Rules, 2014 not applicable.

10. AUDITORS:

At the 25th Annual General Meeting held on 29th September, 2014, M/s. I. Sudhaker & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company for 3 years to hold office till the conclusion of the Annual General Meeting to be held in the year 2017. In terms of the first proviso of Section 139 of the Companies Act, 2013 and the Rules framed there under, the appointment of the Auditors shall be placed for the ratification at every AGM. Accordingly, the appointment of M/s. I. Sudhaker & Co., as Statutory Auditors of the Company, is placed for ratification by the Shareholders. Further Board may be authorized to fix remuneration of auditors for the Financial year 2015-16.

11. SECRETARIAL AUDITOR:

In accordance with the provisions of Section 204 of the Companies Act, 2013 and as a measure of good corporate governance practice, the Board of Directors of the Company appointed M/s. V K Bajaj & Associates, Practicing Company Secretaries, to conduct Secretarial Audit of the Company for the Financial Year 2015-16. The Secretarial Audit Report



for Financial year 2015-16 is herewith appended as **Annexure 1** to the Board's report.

With regard to adverse remarks in Secretarial Audit Report related to appointment of Company Secretary one of the Key Managerial Persons, your board of Directors would like inform you that company is putting all effort to recruit Company Secretary inspite of acute financial position of the company.

12. SIGNIFICANT AND MATERIAL DISORDERS:

There are no significant and material disorders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in the future.

13. EXTRACT OF ANNUAL RETURN:

In accordance with Section 134(3)(a) of the Companies Act, 2013, and extract of Annual Return in Form MGT 9 is annexed herewith as **Annexure 2** to the Boards' Report.

14. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS U/S 186:

The Company has not given any Loans, Guarantee and has not made any Investments falling under Section 186 of the Companies Act, 2013 for the financial year and does not have any loans and investments outstanding as on 31st March 2016. Hence disclosure pursuant to clause (g) of sub-section (3) of section 134 of the Companies Act, 2013 is not applicable to the company.

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

The particulars as prescribed under Section 134(3)(m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, are set out in the **Annexure 3** to this Report.

16. PERFORMANCE OF THE BOARD OF DIRECTORS, ITS COMMITTEES AND INDIVIDUAL DIRECTORS:

In accordance with Section 134(3)(p) of the Companies Act, 2013 and Rule 8(4) of the Companies (Accounts) Rules, 2014, your Directors have reviewed and evaluated the performance of the Board of Directors and their committees, along with performance of individual Director in the light of Company's performance. The performance of the Directors individually and collectively and performance of committees are found satisfactory.

With the spirit of wealth creation for the shareholders of the Company, your Directors are committed to give their best efforts towards the development of the Company.

17. MANAGEMENT DISCUSSION & ANALYSIS REPORT:

As per Regulation 34(2)(e) and para B of Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, management Discussion and Analysis report is attached and forms part of this report, as **Annexure 4**.

18. RISK MANAGEMENT:

Risks are events, situations or circumstances which may lead to negative consequences on the Company's businesses. Risk management is a structured approach to manage uncertainty. A formal enterprise wide approach to Risk Management is being adopted by the Company and key risks will now be managed within a unitary framework.

19. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Complaints Committee ("ICC") has been set up to redress the complaints received regarding sexual harassment. All employees are covered under this policy.

During the year there were no complaints referred to the ICC.

20. ACKNOWLEDGEMENTS:

Your Directors have pleasure in recording their appreciation for the assistance extended to the Company by various officials of the Central and State Governments and Commercial Banks.

Sri Vajra Granites Limited



Your Directors would also like to place on record their sincere appreciation and gratitude to the Shareholders, Investors, Suppliers, Bankers for their support and co-operation. Your Directors express their heartfelt gratitude to the employees for their exceptional commitment and loyalty to the Company.

By Order of the Board
For **SRI VAJRA GRANITES LIMITED**

Place: Hyderabad

Date: 12.08.2016

Sd/-
Leela Annapareddy
Managing Director
DIN: 02548781

Sd/-
A. Srinivas Reddy
Director
DIN: 01253937



Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2016

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

To,
The Members,
SRI VAJRA GRANITES LIMITED
H, No. 6-3-347/22/10/2, Flat No. 202
IInd Floor, Sai Villa Apartment
Dwarkapuri Colony, Punjagutta
Hyderabad – 500 082

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. **SRI VAJRA GRANITES LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of M/s. **SRI VAJRA GRANITES LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 amended to Securities And Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 w.e.f 16th May 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 amended to Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 herein referred as Listing Regulations w.e.f 02nd September, 2015.
 - (d) SEBI (Share Based Employee Benefits) Regulations, 2014.
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable to the Company subject to the following observations:



- a) Company has not yet appointed Company Secretary one of the Key Managerial Person.
- v. We further report that, after considering the compliance system prevailing in the Company, and after carrying out test checks of the relevant records and documents maintained by the Company, there are no laws that are specifically applicable to the company as it is engaged in processing of granite blocks :
- We have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
 - (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange;

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

For **V K Bajaj & Associates,**
Company Secretaries

Place: Hyderabad
Date: 12.08.2016

Sd/-
Vasanth Kumar Bajaj
Company Secretary
FCS: 6868, C P No.: 5827

To,
The Members,
SRI VAJRA GRANITES LIMITED
6-3-347/22/10/2, Flat No. 202,
IInd Floor, Sai Villa Apartment
Dwarakapuri, Punjagutgutta
Hyderabad – 500 082

Our Secretarial Audit Report of even date is to be read along with this letter.

1. It is the Management's Responsibility to maintain secretarial records, and to devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.
2. Our responsibility as the Secretarial Auditor is to express an opinion on these secretarial records, systems, standards and procedures based on our audit.
3. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
4. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **V K Bajaj & Associates,**
Company Secretaries

Place: Hyderabad
Date: 12.08.2016

Sd/-
Vasanth Kumar Bajaj
Company Secretary
FCS 6868 : C P No.: 5827

**Form No. MGT-9****EXTRACT OF ANNUAL RETURN**

As on the Financial Year ended on 31.03.2016

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

I. REGISTRATION AND OTHER DETAILS:

1	CIN	L14102TG1989PLC009590
2	Registration Date	10.02.1989
3	Name of the Company	SRI VAJRA GRANITES LIMITED
4	Category/Sub-Category of the Company	Company Limited By Shares/Non-govt. Company
5	Address of the Registered office and contact details	6-3-347/22/10/2, Flat No. 202, II Floor, Sai Villa Appartment, Dwarakapuri Colony, Punjagutta, Hyderabad- 500082
6	Phone	040-23355695
7	Fax	040-23352830
8	E-mail ID	srivajragranites@gmail.com
9	Whether listed company	YES
10	Name and Address of Registrar & Transfer Agents (RTA) if any	M/s. Big Share Services Private Limited 306, 3rd Floor, Right Wing, Amrutha Ville, Opp. Yashoda Hospital, Raj Bhavan Road, Somajiguda, Hyderabad – 500 082 Phone: 040-23374967 Fax: 040-23370295 E-mail: bsshyd@bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated

S. No	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Cutting, shaping and finishing of stone	2396	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	Name and Address of the Company	CIN/GL N	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
Nil					



I. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at beginning of the year (As on 01 st April 2015)				No. of Shares held at the end of the year (As on 31 st March 2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1874338	0.00	1874338	25.81	1874338	0.00	1874338	25.81	0.00
b) Central Govt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) State Govt(s)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d) Bodies Corp.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e) Banks / FI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f) Any other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub Total (A)(1)	1874338	0.00	1874338	25.81	1874338	0.00	1874338	25.81	0.00
(2) Foreign									
a) NRIs-Individuals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Other – Individuals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Bodies Corp.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d) Banks / FI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e) Any Other....	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-total (A) (2): -	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	1874338	0.00	1874338	25.81	1874338	0.00	1874338	25.81	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1800	25100	26900	0.37	1800	25100	26900	0.37	0.00
b) Banks / FI	0.00	4400	4400	0.06	0.00	4400	4400	0.06	0.00
c) Central Govt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d) State Govt(s)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e) Venture Capital Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f) Insurance Companies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
g) FIs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
h) Foreign Venture Capital Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
i) Others (specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-total (B)(1):-	1800	29500	31300	0.43	1800	29500	31300	0.43	0.00



2. Non-Institutions									
a) Bodies Corp.									
i) Indian	71525	23500	95025	1.31	60800	23500	84300	1.16	9.15
ii) Overseas	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	512769	2069087	2581855	35.55	534593	2057087	2591680	35.69	-0.14
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2631682	47400	2679082	36.89	2632682	47400	2680082	36.90	+0.01
c) Others (specify)									
(c-i) Clearing Members	200	0.00	200	0.00	0.00	0.00	0.00	0.00	0.00
(c-ii) Non-Resident Indians	400	0.00	400	0.01	500	0.00	500	0.01	0.00
Sub-total (B)(2):-	3216576	2139987	5356562	73.75	3228575	2127987	5356562	73.75	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	3218376	2169487	5387862	74.19	3230375	2157487	5387862	74.19	0.00
C. Shares held by Custodian for GDRs & ADRs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grand Total (A+B+C)	5092713	2169487	7262200	100.00	5104713	2157487	7262200	100.00	0.00

B. Shareholding of Promoters

S. No	Names of the Shareholders	Shareholding at the beginning of the year (As on 01 st April, 2015)			Share holding at the end of the year (As on 31 st March, 2016)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total Shares	
1.	VijayaLaxmi Lete	4,38,900	6.04	0.00	4,38,900	6.04	0.00	6.04
2.	Annapureddy Leela	7,26,893	10.01	0.00	7,26,893	10.01	0.00	0.00
3.	Srinivas Reddy Annapureddy	6,68,545	9.21	0.00	6,68,545	9.21	0.00	0.00
4.	Annapureddy Namratha	40,000	0.55	0.00	40,000	0.55	0.00	0.00
Total		18,74,338	25.81	0.00	18,74,338	25.81	0.00	0.00

C. Change in Promoters' Shareholding

S.No	Names of the Shareholders	Shareholding at the beginning of the year		Reason for Increase / Decrease	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
There was no change in the Promoter shareholding						



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

S. No	Names of the Shareholders	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Vishal Reddy Leti	At the beginning of the year	210082	2.89	210082	2.89
		At the end of the year	210082	2.89	210082	2.89
2.	Pramod Kumar Bung	At the beginning of the year	150000	2.07	150000	2.07
		At the end of the year	150000	2.07	150000	2.07
3.	Vinod Kumar Bung	At the beginning of the year	150000	2.07	150000	2.07
		At the end of the year	150000	2.07	150000	2.07
4.	PrahlaadSarda	At the beginning of the year	150000	2.07	150000	2.07
		At the end of the year	150000	2.07	150000	2.07
5.	Shakuntala Devi Sarda	At the beginning of the year	150000	2.07	150000	2.07
		At the end of the year	150000	2.07	150000	2.07
6.	MahendraGirdharilal	At the beginning of the year	135800	1.87	135800	1.87
		At the end of the year	135800	1.87	135800	1.87
7.	C Shanthi	At the beginning of the year	100000	1.38	100000	1.38
		At the end of the year	100000	1.38	100000	1.38
8.	Narendra Kumar Maniyar	At the beginning of the year	100000	1.38	100000	1.38
		At the end of the year	100000	1.38	100000	1.38
9.	Rajgopal Malu	At the beginning of the year	100000	1.38	100000	1.38
		At the end of the year	100000	1.38	100000	1.38
10.	Sunil K Daga	At the beginning of the year	100000	1.38	100000	1.38
		At the end of the year	100000	1.38	100000	1.38

E. Shareholding of Directors and Key Managerial Personnel:

S. No.	For Each of the Directors and KMP	Shareholding		Date	Increase / Decrease in Share Holding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning / end of the year	% of total shares of the company				No. of shares at the beginning/ end of the year	% of total shares of the company
1.	Srinivas Reddy Annapureddy	6,68,545	9.21	01.04.2015	0	No change	6,68,545	9.21
		6,68,545	9.21	31.03.2016			6,68,545	9.21
2.	AnnapureddyLeela	7,26,893	10.01	01.04.2015	0	No change	7,26,893	10.01
		7,26,893	10.01	31.03.2016			7,26,893	10.01
3.	Saya Reddy Chennolla	0	0	01.04.2015	0	-	0	0
		0	0	31.03.2016			0	0
4.	Ranga Reddy Mettu	0	0	01.04.2015	0	-	0	0
		0	0	31.03.2016			0	0
5.	Kompella Surya KameswaraSarma	0	0	01.04.2015	0	-	0	0
		0	0	31.03.2016			0	0
6.	Prabhu Reddu Kandula	0	0	01.04.2015	0	-	0	0
		0	0	31.03.2016			0	0
7.	*G. Srinivasa Reddy (CFO)	0	0	01.04.2015	0	-	0	0
		0	0	31.03.2016			-	-
8.	**V V Satyanarayana Katta (CFO)	0	0	01.04.2015	0	-	-	-
		0	0	31.03.2016			0	0

* G. Srinivasa Reddy resigned from the position of Chief Financial Officer w.e.f 26.10.2015.

** K V V Satyanarayana were appointed as Chief Financial Officer w.e.f 30.12.2015.



Sri Vajra Granites Limited

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,93,99,568	1,07,36,009	-	4,01,35,577
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2,93,99,568	1,07,36,009	-	4,01,35,577
Change in Indebtedness during the financial year				
• Addition / (Reduction)	(1,76,81,566)	95,67,817	-	(81,13,749)
Net Change	(1,76,81,566)	95,67,817	-	(81,13,749)
Indebtedness at the end of the financial year				
i) Principal Amount	1,17,18,002	2,03,03,826	-	3,20,21,828
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1,17,18,002	2,03,03,826	-	3,20,21,828

G. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

S. No.	Particulars of Remuneration	Srinivas Reddy Annapureddy Managing Director	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961.	8,49,942 1,01,997	8,49,942 1,01,997
2.	Stock Option	--	--
3.	Sweat Equity	--	--
4.	Commission as % of profit others, specify...	--	--
5.	Others, please specify	--	--
Total (A)		9,51,939	9,51,939
Ceiling as per the Act		30,00,000	30,00,000

B. Remuneration to other directors:

S. No.	Particulars of Remuneration	Kompella Surya Kameswara Sarma	Saya Reddy Chennai	Ranga Reddy Mettu	Smt. Leela Annapareddy	Prabhu Reddy Kandula
1	Independent Directors					
	• Fee for attending board committee meetings	27,000	27,000	15,000	-	3,000
	• Commission	-	-			
	• Others, please specify	-	-			
	Total (1)	27,000	27,000	15,000	-	3,000
2	Other Non Executive Directors					
	Fee for attending board committee meetings	-	-		15,000	-
	Commission	-	-			
	Others, please specify	-	-			
	Total (2)	-	-		15,000	3,000
Total (B)=(1+2)		27,000	27,000	15,000	15,000	3,000
Total Managerial Remuneration		27,000	27,000	15,000	15,000	3,000
Overall Ceiling as per the Act		-	-	-	-	-



C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

S. No.	Particulars of Remuneration	G.Srinivasa Reddy CFO	** KVV Satya Narayana CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	1,38,387	85,158	2,23,545
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	11,119	6,894	18,013
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission -as % of profit	-	-	-
5	Others, please specify	-	-	-
	Total	1,49,506	92,052	2,41,558

* G. Srinivasa Reddy resigned from the position of Chief Financial Officer w.e.f 26.10.2015.

** K V V Satyanarayana were appointed as Chief Financial Officer w.e.f 30.12.2015.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties or punishments levied on the company during the year. Also, there was no necessity for the company to compound any offence.

ANNEXURE – 3

Details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outflow [Clause (m) of sub-section (3) of Section 134 of the Act, r/w Rule 8 of the Companies (Accounts) Rules, 2014]

A. CONSERVATION OF ENERGY:

- the steps taken or impact on conservation of energy:
Company is taking steps to conserve energy to the extent possible.
- the steps taken by the Company for utilizing alternate source of energy:
Company is looking to install solar panels for its lighting requirement where ever it is feasible.
- the Capital Investment on energy conservation equipments:
Amount spent on conservation of energy is not significant compared size of the balance sheet.
- the expenditure incurred on research and development.

B. TECHNOLOGY ABSORPTION:

- the efforts made towards technology absorption. **Not Applicable**
- the benefits derived like product improvement, cost reduction, production development or import substitute. **Not Applicable**
- in case of imported technology (imported during the last three years reckoned from the beginning of the financial year: **Not Applicable**
 - the details of technology imported
 - the year of Import
 - whether the technology been fully absorbed
 - if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

FOREIGN EXCHANGE EARNINGS AND OUTGO: Amount in ₹

Particulars	March 31st, 2016
Foreign exchange earnings	1,31,42,947
Foreign exchange outgo	16,67,187



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS:

Granite is one of the most sought-after material among all building stone. Granite is in demand due to its amenability for taking mirror like polish, high compressive strength, longevity and aesthetics. Granite finds application in many areas; accordingly market is segmented among four product categories, namely

- ❖ Natural stone processing industry
- ❖ Building Industry
- ❖ Funerary Industry and
- ❖ Consumer market.

India is the seventh largest exporter after China, Italy, Turkey, Egypt, Greece and Brazil. We have one of the largest resources of granite and natural stones. If the right policies are introduced we can become the top exporter.

The natural stone processing industry uses raw and semi finished products, and the other three segments use finished products. Slabs and raw blocks are sold to the processing industry. The processing industry in turn processes custom made products and various other products and sends these to the other three segments of the market. Around 80% of the natural stone products are consumed by the building industry.

The global demand for granites and stones is subdued. In this challenging scenario, 95% of our Japanese market has already been captured by China and we are suffering due to high interest rates, delay in the renewal of leases, increasing cost of operations and lack of talented manpower.

OUTLOOK OF THE GRANITE INDUSTRY:

India with its huge reserves offers wide variety of colors and shades. India possesses some special colors; one of them is black granite which is unique to it. Black granite has huge demand in USA. India has created its own niche over the last few years. While India's exports grew at a rapid pace between 1994 to 2007, the growth has stagnated over the last few years.

India is home to some of the best quality dimensional stones available across the globe. Endowed with vast reserves and diversities of almost every conceivable natural stone namely granite, marble, sandstone, limestone, quartz etc., the country is the third largest natural stone manufacturer in the world. Of the 300 varieties of granite present in the world market, India supplies about 200, reflecting the availability of wide array of color, texture and structure in the country. India produces more than 27 percent of the overall stone production in the world and exports over 11 percent of the world's stone exports.

The growth was primarily value led as volumes remained more or less stable during the period. Granite and products, exported mainly as either raw blocks or after cutting and polishing constituted majority of the exports revenue, followed by other stones and products, marbles and slate stone. While Granite was exported to China and European countries, finished marbles were mainly shipped to Japan. Demand for the product continues to remain strong aided equally by improving domestic and commercial constructions. While, the primary demand for granite is flooring and kitchen countertops, it is also used for gravestone segment which has a large export market.

Despite impressive growth, presence of inadequate infrastructure facilities, inconsistent and contradictory leasing policies and dearth of export oriented policies are curbing the growth of the segment. The Federation of Indian Granite and Stone Industry (FIGSI) is urging the government to bring granite under "major" mineral category as it will help lower the royalty outgo on mining and enhance the segment's competitiveness.

The quarrying industry is expected to grow rapidly following the acceptance of proposal as the same will ensure rationalization and result in uniform implementation of granite policies. Home owners' preference for granite stems from its attractive and durability feature making it one of the favored surfaces to be used in flooring and countertops. Of all the tile types, Natural stone / granite is projected to grow most rapidly through 2017 through US overtaking porcelain, expected to be the second largest type in area demand terms by 2017. US demand for decorative tile is forecast to rise



6.7 percent per year through 2017, reaching 3.2 billion square feet. Gains can be attributed to the country's improving housing and commercial construction spending.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS:

India is now open to foreign investment in all business sectors, including retail marketing, etc. However, no overseas investment is coming to India in the natural stone field because of policy issues, such as not allowing free import of raw material. Besides, there is a shortage of raw material from the domestic mining sector. We are sure that once the mining policy is made more industry friendly and import of granite and marble is brought under OGL, there will be an inflow of FDI in the stone sector.

There is a boom in construction activity in India and across the globe. Stone has found a place in various applications, such as construction, interior decoration, monument and memorials artifacts and garden items. In view of this, the processing industry has started its operation throughout the length and breadth of the country.

The EXIM policy has hit the 'last nail in the coffin' of stone industry. The industry has been facing a license system for the import of rough dimensional blocks. There is red-tapism in the license system; black marketing of licenses. These have resulted in the downfall of the industry. Shortcomings in the present license system do not provide level playing field for the Indian stone industry on the international market. The license system is also creating monopolists – big mine-owners and those who fulfill the criteria for procuring the licenses.

The Indian stone industry still comes under 'minor minerals' in spite of the huge investments made in the field of processing and mining. We have been treated at par with sand mining and crushers used for road making. All this has slowed down the growth of the industry.

Our Internal Control Policy include our basic philosophy and policies regarding risk management. The approach used to manage each type of risk is developed in line with our series of Basic Risk Management Policies. In addition, each of the risk management regulations and standards is translated into practical rules, following our series of Basic Risk Management Policies.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has adequate systems of internal Controls commensurate with its size and operations to ensure orderly and efficient conduct of business. These controls ensure safeguarding of assets, reduction and detection of fraud and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information.

The Audit Committee reviews the adequacy and the effectiveness of the internal controls at periodic intervals to ensure that internal control systems are adhered to. Further, the Board annually reviews the effectiveness of the Company's internal control system.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

During the Financial Year 2015-16, the Company achieved a revenue of Rs. 145.18 Lakhs from operations. Against the same, it incurred a total expenditure of Rs. 549.27 Lakhs and net loss of Rs. 297.24 Lakhs.

The margin of safety, enjoyed by the Company, is wafer-thin from the very inception of the Company either because of the world-wide recession and or the heavy incidence of overheads.

The rise in the costs is more than that of the increase in product's sale price.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS FRONT:

Directly/Indirectly your Company provides employment to around 5 individuals at various levels at its Factory, Head office and quarries. Its industrial relations continue to remain cordial.

Disclosure of relationship between Directors inter se in terms of Regulation 36(3)© of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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



INDEPENDENT AUDITOR'S REPORT

To the Members of Sri Vajra Granites Limited

Report on the Financial Statements

We have audited the accompanying financial statements of SR! VAJRA GRANITES LIMITED ("the company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and subject to confirmation of balances of all debtors, creditors and other advances, give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016 and its loss and cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements.

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (I) The company does not have any pending litigations which would impact its financial position.
 - (ii) The company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - (iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For **I SUDHAKER & CO.**
Chartered Accountants
Firm Reg. No. 006271S

Sd/-
I SUDHAKER
(PROPRIETOR)
Membership No. 023904

Place: Hyderabad
Date: May 30, 2016



ANNEXURE-A TO INDEPENDENT AUDITOR'S REPORT

Re: **SRI VAJRA GRANITES LIMITED**

Referred to in our Audit Report of even date,

- (I) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets ;
(b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification;
(c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company
- (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 nature of its business
(c) The company is maintaining proper records of inventory. The discrepancies noticed on Verification of physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Therefore sub-clauses (a) & (b) of clause iii) are not applicable.
- (iv) The company has not given any loans to directors or made any investments or given guarantees or security for loans therefore compliance of provisions of sections 185 & 186 of Companies Act,2013 is not applicable
- (v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013
- vi) We have broadly reviewed the cost records maintained by the company pursuant to Sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion Prima facie the prescribed records have been maintained. We have, however, not made a detailed examination of records with a view to determine whether they are accurate or complete.
- (Vii) (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable with the appropriate tax authorities except Provident Fund and Service Tax which have not been paid regularly.
(b) According to the information and explanations given to us and based on the records of the company examined by us, there are no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty and cess were in arrears, as at 31.03.2016 for a period of six months from the date they became payable. However, Service Tax in arrears for more than six months as on 31.03.2016 is Rs.5,54,072.
- (viii) In our opinion and according to information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or bank during the year.
- (ix) The Company did not raise and money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, Paragraph 3(ix) of the order is not applicable.
- (x) 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 the year .
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, Paragraph 3(xii) of the Order is not applicable.



- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, There are no transactions with the related parties during the year.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **ISUDHAKER & CO.**
Chartered Accountants
Firm Reg. No. 006271S

Sd/-
I SUDHAKER
(PROPRIETOR)
Membership No. 023904

Place: Hyderabad
Date: May 30, 2016

ANNEXURE - B TO INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of Sri Vajra Granites Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based



on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **I SUDHAKER & CO.**
Chartered Accountants
Firm Reg. No. 006271S

Sd/-
SUDHAKER
(PROPRIETOR)
Membership No. 023904

Place: Hyderabad
Date: May 30, 2016

Sri Vajra Granites Limited



BALANCE SHEET AS AT 31st MARCH, 2016

(AMOUNT IN ₹)

PARTICULARS	NOTE	AS AT 31.03.2016	AS AT 31.03.2015
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	72628500	72628500
(b) Reserves and Surplus	4	(88839825)	(59115608)
(c) Money received against share warrants		0	0
(2) Share application money pending allotment		0	0
(3) Non-Current Liabilities			
(a) Long-term borrowings	5	0	0
(b) Deferred tax liabilities (Net)		0	0
(c) Other Long term liabilities		0	0
(d) Long term provisions	6	4002498	3906157
(4) Current Liabilities			
(a) Short-term borrowings	7	32021828	40135577
(b) Trade payables		7690315	10619135
(c) Other current liabilities	8	41881847	38777597
(d) Short-term provisions	9	4910080	6603202
Total		<u>74295243</u>	<u>113554560</u>
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	21404480	23718587
(ii) Intangible assets		0	0
(iii) Capital work-in-progress		0	0
(iv) Intangible assets under development		0	0
(b) Non-current investments		0	0
(c) Deferred tax assets (net)		0	0
(d) Long term loans and advances	11	96975	2260799
(e) Other non-current assets		0	0
(2) Current assets			
(a) Current investments		0	0
(b) Inventories	12	32966370	61451067
(c) Trade receivables	13	14476486	18575791
(d) Cash and cash equivalents	14	622190	1341419
(e) Short-term loans and advances	15	4577048	6101643
(f) Other current assets	16	151695	105254
Total		<u>74295243</u>	<u>113554560</u>

Summary of significant accounting policies 1,2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For I. SUDHAKER & CO,

Chartered Accountants

FR No 006271S

Sd/-

I. SUDHAKER

Proprietor

Membership No. 023904

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

Sd/-

A. LEELA

Managing Director

Sd/-

A. SRINIVAS REDDY

Director

Sd/-

K.V.V. SATYANARAYANA

Chief Financial Officer

Place: Hyderabad

Date: 30-05-2016



Sri Vajra Granites Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016 (AMOUNT IN ₹)

PARTICULARS	NOTE	FOR THE YEAR ENDED 31-03-2016	FOR THE YEAR ENDED 31-03-2015
I. Revenue from operations	17	14518601	43533138
II. Other Income	18	10878672	1011795
III. Total Revenue	(I + II)	25397273	44544933
IV. Expenses:			
Cost of materials consumed	19	1466259	25918037
Purchase of Stock-in-Trade		0	0
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	26414983	(13894846)
Employee benefit expense	21	11606319	12152676
Finance costs	22	2813137	3122662
Depreciation and amortization expense	10	2138081	3223376
Other expenses	23	10585563	35666683
Total Expenses		55024342	66188588
V. Profit before exceptional and extraordinary items and tax	(III - IV)	(29627069)	(21643655)
VI. Exceptional Items		(97148)	(419939)
VII. Profit before extraordinary items and tax	(V - VI)	(29724217)	(22063594)
VIII. Extraordinary Items		0	0
IX. Profit before tax (VII - VIII)		(29724217)	(22063594)
X. Tax expense:			
(1) Current tax			0
(2) Deferred tax		0	0
		0	0
XI. Profit(Loss) for the period from continuing operations	(IX-X)	(29724217)	(22063594)
XII. Profit/(Loss) from discontinuing operations		0	0
XIII. Tax expense of discontinuing operations		0	0
XIV. Profit/(Loss) from Discontinuing operations	(XII - XIII)	0	0
XV. Profit/(Loss) for the period	(XI + XIV)	(29724217)	(22063594)
XVI. Earning per equity share:			
(1) Basic		0	0
(2) Diluted		0	0

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

Sd/-
I. SUDHAKER
Proprietor
Membership No. 023904

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

Sd/-
A. LEELA
Managing Director

Sd/-
A. SRINIVAS REDDY
Director

Sd/-
K.V.V. SATYANARAYANA
Chief Financial Officer

Place: Hyderabad
Date: 30-05-2016



1. CONTINGENT LIABILITIES AND COMMITMENTS:

- 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 lakhs(Previous Year Rs.Nil Lakhs)

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 committed obligations and amounts determined as payables or receivables during the year.

b) Fixed Assets:

Fixed assets are stated at historical costs, which include freight ,installation cost,duties,taxes and other direct/ incidental expenses.

c) Depreciation:

Depreciation has been provided on on the fixed assets on quarterly basis on straight line method as per the Schedule II of the Companies Act,2013.

d) 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.

e) Foreign Currency transactions:

- (I) Export sales are accounted at the exchange rates prevailing as on the dates of sale. Gains/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.

f) Gratuity:

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

g) Impairment of Assets:

The carrying amount of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal /external factors.An asset is impaired when the carrying amount of the asset exceeds the recoverable amount.

An impairment loss is charged to the statement of profit and loss in the year in which the asset is identified as impaired. Impairment losses recognised in prior accounting periods are reversed if there has been any change in the estimate of the recoverable amount.



Sri Vajra Granites Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 (Amount in ₹)

NOTE - 3: SHARE CAPITAL	AS AT 31.03.2016	AS AT 31.03.2015
Authorised:		
1,00,00,000 Equity Shares of Rs. 10/- Each	100000000	100000000
Issued & Subscribed called up:	<u>72635000</u>	<u>72635000</u>
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/- per share paidup)	6500	6500
	<u>72628500</u>	<u>72628500</u>

NOTE - 3a: RECONCILIATION OF SHARES	AS AT 31.03.2016		AS AT 31.03.2015	
Particulars Equity shares:	No. of shares	₹	No. of shares	₹
Share outstanding at the beginning of the year	7262200	72622000	7262200	72622000
Shares issued during the year	0.00	0.00	0.00	0.00
Shares bought back during the year	0.00	0.00	0.00	0.00
Share outstanding at the end of the year	<u>7262200</u>	<u>72622000</u>	7262200	72622000

Rights attached to equity shares:

The Company has only one class of equity shares having a face value of ₹ 10/- per share with one vote per each equity share.

The Company declares and pays dividends in Indian rupees as and when proposed by the Board of Directors which is subject to the approval of the shareholders in the ensuing Annual General Meeting.

NOTE - 3b: Details of shares held by shareholders holding more than 5% of aggregate Shares in the company

PARTICULARS	AS AT 31.03.2016		AS AT 31.03.2015	
	No. of shares held	% of holding	No. of shares held	% of holding
1) A. Srinivas Reddy	668545	9.21	668545	9.21
2) A. Sudhakar Reddy	0	0.00	0	0.00
3) A. Leela	726893	10.00	726893	10.00
4) Vijaya Laxmi Lete	438900	6.04	438900	6.04

NOTE - 4: RESERVES & SURPLUS	AS AT 31.03.2016		AS AT 31.03.2015	
	₹		₹	
Capital Reserve - State subsidy		2498051		2498051
Surplus (Profit & Loss Account)	(61613659)		(39550065)	
Less/Add: Net Loss/ (Profit) for the year	(29724217)	(91337876)	(22063594)	(61613659)
		<u>(88839825)</u>		<u>(59115608)</u>



(Amount in ₹)

Note 5: LONG TERM BORROWINGS	AS AT 31.03.2016	AS AT 31.03.2015
	₹	₹
SECURED LOANS :	Nil	Nil
Note 6: LONGTERM PROVISIONS	AS AT 31.03.2016	AS AT 31.03.2015
	₹	₹
Provision for Gratuity	4002498	3906157
	<u>4002498</u>	<u>3906157</u>
Note 7: SHORTTERM BORROWINGS	AS AT 31.03.2016	AS AT 31.03.2015
	₹	₹
SECURED LOANS :		
1. Export Packing Credit/Cash Credit - Andhra Bank*	11718002	29399568
UNSECURED LOANS		
1. Interest free loans from Directors	20303826	10736009
	<u>32021828</u>	<u>40135577</u>
*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 guarantee of Mr. A. Srinivas Reddy, Director.		
Note 8: OTHER CURRENT LIABILITIES	AS AT 31.03.2016	AS AT 31.03.2015
	₹	₹
a) Advance Against Share Capital	1078800	1078800
b) Other Liabilities	6785619	3029081
c) Advance Against Sales	34017428	34669716
d) Term Loan from Tata Motors Finance Ltd for purchase of car	0.00	0.00
	<u>41881847</u>	<u>38777597</u>
Note 9: SHORTTERM PROVISIONS	AS AT 31.03.2016	AS AT 31.03.2015
	₹	₹
a) Liability for Expenses	4910080	6603202
b) Provision for Income Tax (MAT)	0	0
	<u>4910080</u>	<u>6603202</u>



NOTE - 10: FIXED ASSETS		(Amount in ₹)										
FIXED ASSETS	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As on 31.03.2015 ₹	Additions During Year ₹	Deductions Discarded During the Year ₹	As on 31.03.2016 ₹	Upto 31.03.15 ₹	For the Year 31.03.2016 ₹	Adjustment ₹	Upto 31.03.2016 ₹	As on 31.03.2016 ₹	As on 31.03.2015 ₹		
1. Land & Site Development	2218061	0	176026	2042035	0	0	0	0	2042035	2218061		
2. Quarry Land	669846	0		669846	593713	8322	0	602035	67811	76133		
3. Buildings	20857350	0		20857350	9685031	496170	0	10181201	10676149	11172319		
4. Plant & Machinery	137779237	0		137779237	128938507	1238696	0	130177203	7602034	8840730		
5. Electrical Installation	6353895	0		6353895	5103754	361330	0	5465084	888811	1250141		
6. Furniture & Fixtures	78027	0		78027	67671	1844	0	69515	8512	10356		
7. Electronic & Office Equipment	642731	0		642731	525870	14728	0	540598	102133	116861		
8. Vehicles	117572	0	0	117572	83586	16992	0	100578	16994	33986		
Total	168716719	0	176026	168540693	144998132	2138081	0	147136213	21404480	23718587		
Previous Year	169054827	77950	416058	168716719	142004755	3223377	230000	144998132	23718587	27050072		



Note 11: LONG TERM LOANS AND ADVANCES	AS AT 31.03.2016	AS AT 31.03.2015
	₹	₹
(Unsecured and Considered good recoverable in cash or in kind for value to be received)		
a) Advance for Capital work in progress	0	0
b) Deposit Recoverable	96975	2260799
	96975	2260799
Note 12: INVENTORIES	AS AT 31.03.2016	AS AT 31.03.2015
(At Cost or Net Realisable Value whichever is lower)	₹	₹
(As Certified by the Management)		
a) Raw Materials	332173	1508627
b) Stock of Processed Goods	24207232	50607343
c) Stock of Finished Goods	133690	148562
d) Stores & Spares	1115692	1702869
e) Loose Tools (Consumables)	7177583	7483666
	32966370	61451067
Note 13: TRADE RECEIVABLES	AS AT 31.03.2016	AS AT 31.03.2015
	₹	₹
Sundry Debtors : (Unsecured)		
a) Over Six Months		
i) Considered Good	14216765	12398461
ii) Considered doubtful		0
b) Others	259721	6177330
	14476486	18575791
Less:- Provision for doubtful debts	0	0
	14476486	18575791
Note 14: CASH AND CASH EQUIVALENTS	AS AT 31.03.2016	AS AT 31.03.2015
	₹	₹
a) Bank Balances with scheduled Banks		
i) In Current Accounts	120045	328203
ii) Fixed Deposit Account for Margin Money	0	733500
b) Cash on Hand	502145	279716
	622190	1341419
Note 15 : SHORT TERM LOANS & ADVANCES	AS AT 31.03.2016	AS AT 31.03.2015
	₹	₹
Loans and Advances to Others		
(Unsecured and Considered good recoverable in cash or in kind for value to be received)		
Advance for Expenses	579535	1303420
Advance for Purchases	970778	1408168
Other Advances/VAT Refundable	3026735	3390055
	4577048	6101643



Sri Vajra Granites Limited

Note 16 : OTHER CURRENT ASSETS	AS AT 31.03.2016	AS AT 31.03.2015
	₹	₹
Interest Receivable :	151695	105254
	<u>151695</u>	<u>105254</u>

Note 17: REVENUE FROM OPERATIONS	FOR THE YEAR ENDED 31.03.2016	FOR THE YEAR ENDED 31.03.2015
	₹	₹
Revenue from Sale of Products:		
Sale of Polished Slabs/ Tiles less returns	15279795	44934264
Less: Excise Duty	761194	1401126
	<u>14518601</u>	<u>43533138</u>

Note 18: OTHER INCOME	FOR THE YEAR ENDED 31.03.2016	FOR THE YEAR ENDED 31.03.2015
	₹	₹
Interest Received/Earned	70357	153737
Foreign Exchange fluctuations	209341	858058
Profit on Sale of Fixed Asset (Land)	10598974	0
	<u>10878672</u>	<u>1011795</u>

19: COST OF MATERIAL CONSUMED	FOR THE YEAR ENDED 31.03.2016	FOR THE YEAR ENDED 31.03.2015
	₹	₹
Raw Material Consumed :		
(I) Opening Stock of Raw Material	1508627	1697516
(ii) Purchase of Raw Material/Transferred from Quarries	289805	25729148
	1798432	27426664
Less: Closing Stock of Raw Material	332173	1508627
	<u>1466259</u>	<u>25918037</u>

19(a) Value of imported and indigenous Raw Materials & Stores & Spares Consumed

Particulars	FOR THE YEAR ENDED 31.03.2016		FOR THE YEAR ENDED 31.03.2015	
	₹	%	₹	%
	Raw Materials		Raw Materials	
Imported	0.00	0.00	0.00	0.00
Indigenous	1466259	100	25918037	100
	<u>1466259</u>	<u>100</u>	25918037	100
	Stores & Spares Consumed		Stores & Spares Consumed	
Imported	1263398	52	11447906	68
Indigenous	1187270	48	5350252	32
	<u>2450668</u>	<u>100</u>	16798158	100

Sri Vajra Granites Limited



Note 20: CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE

	FOR THE YEAR ENDED 31.03.2016		FOR THE YEAR ENDED 31.03.2015	
	₹		₹	
1. Opening Stock:				
a. Sawn Slabs	50607343		36697973	
b. Polished Slabs/Tiles	148562	50755905	163086	36861059
2. Closing Stock:				
a. Sawn Slabs	24207232		50607343	
b. Polished Slabs/Tiles	133690	24340922	148562	50755905
		26414983		-13894846

Note 21:EMPLOYEE BENEFIT EXPENSES	FOR THE YEAR ENDED 31.03.2016		FOR THE YEAR ENDED 31.03.2015	
	₹		₹	
Salaries, Wages & Other Allowances	9821703		9842561	
Staff Welfare	117235		289176	
Contribution to Provident Fund	833219		964044	
Gratuity	386320		534007	
Bonus	447842		522888	
		11606319		12152676

Note 22.FINANCE COST	FOR THE YEAR ENDED 31.03.2016		FOR THE YEAR ENDED 31.03.2015	
	₹		₹	
Interest on Working Capital & Finance Charges	2813137		3122662	
		2813137		3122662

Note 23: OTHER EXPENSES	FOR THE YEAR ENDED 31.03.2016		FOR THE YEAR ENDED 31.03.2015	
	₹		₹	
(A) Manufacturing Expenses:				
(a) Stores & Spares Consumed	2450669		16798159	
(b) Power & Fuel	3157727		10784999	
(c) Repairs to Machinery	566519		1899466	
		6174915		29482624
(B) Administrative Expenses :				
(a) Rent	234000		561450	
(b) Rates & Taxes	80249		52964	
(c) Insurance	137148		261827	
(d) Loss on sale of Fixed Assets	0		50058	
		451397		926299
(C) Other Miscellaneous expenses				
	2847743		2782945	
		2847743		2782945
(D) Auditors Remuneration :				
(a) As Auditor	114500		112360	
(b) For Tax Audit	28625		28090	
(c) For Certification	54810		50854	
(d) For Tax Representation	0		25000	
		197935		216304



Sri Vajra Granites Limited

Note 23: OTHER EXPENSES

FOR THE YEAR
ENDED 31.03.2016
₹

FOR THE YEAR
ENDED 31.03.2015
₹

(E) Selling Expenses :

(a) Transport & Freight	15180	132832
(b) Sales Promotion	1924	37625
(c) Packing Material consumed	255232	495600
(d) Other Selling Expenses & Forwarding Charges	164145	722008
(e) Foreign Exchange Fluctuations	0	0
(e) VAT/SalesTax	292207	377338
(f) ECGC Premium	147514	307608
(g) Service Tax and MOT charges	37371	185500
	<u>913573</u>	<u>2258511</u>
(F) Provison for Doutful debts	0	0
(G) Bad debts written off	0	0
	<u>10585563</u>	<u>35666683</u>



24. Expenditure incurred in Foreign Currency:	2015-16	2014-15
a) CIF Value of Imported Capital Goods	NIL	NIL
b) CIF Value of Imported Consumables and Spares	16,67,187.00	1,19,08,322.00
c) CIF Value of Imported Raw Material	Nil	Nil
d) On Overseas Travel	Nil	Nil

25. Foreign Exchange Earnings		
FOB Value of Exports in Rupees	13,142,947.00	43,900,217.00

26. Pursuant to 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 31.03.2015 works out to ₹267.81 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 ₹ 352.59 Lakhs as on 31st March 2016 has not been recognized in the statement of profit and loss for the year ended 31st March 2016.

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

	(₹In Lakhs)	
	As on 31/03/2016	As on 31/03/2015
Tax Impact of unabsorbed depreciation as per I.T.Act.	48.04	43.54
Tax Impact of Unabsorbed Losses as per I.T Act	306.41	228.63
Tax impact due to difference between tax depreciation and book depreciation	-1.86	-4.36

27. 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.

28. As on 31.03.2016 there are no amounts payable to units covered under section 22 of Macro, Small & Medium Enterprises Development Act-2006

29. 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 to the nearest Rupee.

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

Sd/-
I. SUDHAKER
Proprietor
Membership No. 023904

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

Sd/-	Sd/-
A. LEELA	A. SRINIVAS REDDY
Managing Director	Director

Sd/-
K.V.V. SATYANARAYANA
Chief Financial Officer

Place: Hyderabad
Date: 30-05-2016



Sri Vajra Granites Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31/03/2016

Item No.	PARTICULARS	Amount ₹ 31.03.2016	Amount ₹ 31.03.2015
A. Cash Flow from Operating Activities			
	Net Profit/(Loss) before Tax after & Extraordinary items	(29724217.45)	(22063594.19)
	Less: land compensation Received	0.00	0.00
	Adjustments for:		
	Interest Received /Earned	(70357.00)	(137298.00)
	Profit/Loss on Sale of Fixed Assets	(10598974.00)	50058.00
	Unsecured Loans Written off	0.00	0.00
	Depreciation and Amortization	2138081.00	3223376.00
	Finance Cost	2813137.00	3122662.00
	Operating Profit/(Loss) before Working Capital changes	-35442330.45	-15804796.19
	Adjustments for:		
	Increase/Decrease in inventories	28484697.45	(16507203.00)
	Increase/Decrease in Trade Receivables	4099305.00	10616547.00
	Increase/Decrease in Other Current Assets	(46441.00)	79148.00
	Increase/Decrease in Long Term Loans & Advances	2163824.00	(200193.00)
	Increase/Decrease in Short Term Loans & Advances	1524595.00	2883883.00
	Increase/Decrease in Capital Work-in-Progress	0.00	0.00
	Increase/Decrease in other Current Liabilities	3104250.00	21174020.00
	Increase/Decrease in Long Term Provisions	96341.00	(249200.00)
	Increase/Decrease in Short Term Provisions	(1693122.00)	692987.00
	Increase/Decrease in Trade Payables	(2928820.00)	(2913776.00)
	Increase/Decrease in Export Packing Credit/BD/ Unsecured loans	(8113749.00)	3675934.00
	Cash generated from operations	(8751450.00)	3447350.81
	Interest & Finance Charges paid		
		(2813137.00)	(3122662.00)
	Interest Received	70357.00	137298.00
	Net Cash Flow from operating Activities	(11494230.00)	461986.81
B. Cash Flow from Investing Activities:			
	Purchase/Additions of Fixed Assets	0.00	(77950.00)
	Sale of Fixed Assets	10775000.00	136000.00
	Net Cash used in Investing Activities	10775000.00	58050.00
C. Cash Flow from Financing Activities			
	Proceeds from secured loans	0.00	0.00
	Allotment of Shares	0.00	0.00
	State Subsidy	0.00	0.00
	Repayment of Loans/Advance for Shares/Un Secured Loans	0.00	0.00
	Net Cash used in Financing Activities	0.00	0.00
	Net increase in Cash & Cash Equivalents	(719230.00)	520036.81
	Opening Balance of Cash and Cash Equivalents	1341417.81	821381.00
	Closing Balance of Cash and Cash Equivalents	<u>622187.81</u>	<u>1341417.81</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

Membership No. 023904

Sd/-

A. LEELA

Managing Director

Sd/-

A. SRINIVAS REDDY

Director

Sd/-

K.V.V. SATYANARAYANA

Chief Financial Officer

Place: Hyderabad

Date: 30-05-2016



SRI VAJRA GRANITES LIMITED

CIN: L14102TG1989PLC009590

6-3-347/22/10/2, Flat No 202, IIInd Floor, Sai Villa Apartment, Dwarakapuri, Punjagutta,
Hyderabad - 082. Tel.: 23355695.E-mail: srivajragranites@gmail.com

ATTENDANCE SLIP 27 th ANNUAL GENERAL MEETING Wednesday, 28th September, 2016 at 11.00 a.m.

REGISTERED Folio No. / Demat Account No. (Client ID)	
DP ID No.	
Name of Shareholder	
Number of Shares held	

I / We hereby record my / our presence at the **27th Annual General Meeting** of the Company at H.No. 1-8-1/B/25/A, Sundarayya Vignana Kendram, Baghlingampally, Hyderabad – 500 044.

Shareholder's / Proxy's Signature

Share holder or Proxy holder attending this meeting requested to bring this attendance slip to the meeting and hand over at the entrance duly filed and signed.



Sri Vajra Granites Limited

SRI VAJRA GRANITES LIMITED

CIN: L14102TG1989PLC009590

6-3-347/22/10/2, Flat No 202, Sai Villa Apt., Dwarakapuri, Punjagutta, Hyd-082. Tel.: 23355695.E-mail: srivajragranites@gmail.com

FORM NO. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)	
Registered address	
E-mail ID	
Folio No. / DP ID and Client ID	

I/We, being the Member(s) _____ of shares of the above named Company, hereby appoint

Name:	E-mail ID:
Address:	Signature:

Or failing him/her

Name:	E-mail ID:
Address:	Signature:

as my/our proxy to attend and vote, in case of a poll, for me/us and on my/our behalf at the 27th Annual General Meeting of the Company, to be held on **Wednesday, 28th September, 2016 at 11.00 a.m.** at H. No. 1-8-1/B/25/A, Sundarayya Vignana Kendram, Baghlingampally, Hyderabad – 500 044. and at any adjournment thereof in respect of such resolutions as are indicated below:

Reso. No.	Description	Vote Yes / No
1	Adoption of Financial Statements thereon for the financial year ended 31st March, 2016	
2	Re-appointment of Mr. A. Srinivas Reddy as Director	
3	Ratification of Appointment of Auditors.	
4	Re-appointment of Smt. A.Leela Annareddy as Managing Director of the Company	
5	Re-appointment of Mr. Prabhu Reddy Kandula as Director of the Company	

Signed this _____ day of September, 2016.

Signature of shareholder

Signature of Proxy holder(s)

This form of Proxy, to be effective, should be deposited at the Registered Office of the Company not less than 48 HOURS before the commencement of the aforesaid meeting and request you to Indicate resolutions on which proxy is authorised to vote.

Affix Rs. 1/- Revenue Stamp

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. Telangana