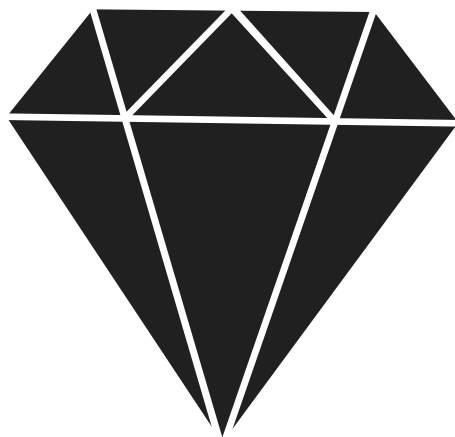


# **Sri Vajra Granites Limited**



**29th Annual Report 2017-18**

**SRI VAJRA GRANITES LIMITED**  
**CIN: L14102TG1989PLC009590**

**BOARD OF DIRECTORS**

<b>SMT LEELA ANNAPUREDDY</b>	:	Managing Director
<b>SRI SRINIVAS REDDY ANNAPAREDDY</b>	:	Non-Executive Director
<b>SRI SAYA REDDY CHENNOLLA</b>	:	Independent Director
<b>SRI RANGA REDDY METTU</b>	:	Independent Director(upto16.08.2018)
<b>SRI PRABHU REDDY KANDULA</b>	:	Independent Director
<b>SRI.CHANDRASHEKHAR REDDY TIRUMALAREDDY</b>	:	Chief Financial Officer (CFO) (w.e.f: 30.05.2017)

**AUDITORS**

**M/s. Suresh Gupta Y & Co.,**  
Chartered Accountants  
H. No. 16-11-16/1/1/1/D  
Saleem Nagar, Malakpet  
Hyderabad - 500 036

**BANKERS**

**Corporation Bank**  
Banjara Hills Branch  
Hyderabad.

**REGISTERED OFFICE**

Survey No. 225, Baswapoor Village,  
Bhiknoor Mandal,  
Kamareddy Dist. - 503101  
Ph No. +91 9849996437  
E-mail ID: srivajragranites@gmail.com  
Website: www.srivajragranites.com

**REGISTRAR AND 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 - 82.  
Phone: 040-40144582  
Email: bsshyd1@bigshareonline.com

**BOARD COMMITTEES:**

<b>Audit Committee</b>	:	Mr. Saya Reddy Chennolla(Chairman) Mr. Ranga Reddy Mettu Mr. Prabhu Reddy Kandula
<b>Nomination and Remuneration Committee</b>	:	Mr. Ranga Reddy Mettu (Chairman) Mr. Saya Reddy Chennolla Mr. Prabhu Reddy Kandula
<b>Stakeholders Relationship Committee</b>	:	Mr. Ranga Reddy Mettu (Chairman) Mr. Saya Reddy Chennolla Mr. A Srinivas Reddy

## **NOTICE**

Notice is hereby given that the **Twenty Ninth Annual General Meeting** of the Members of the Company will be held on **MONDAY, 12TH NOVEMBER, 2018 at 11:30 A.M.** at Survey No. 225, Baswapoor Village - 503101, Bhiknoor (M), Kamareddy 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, 2018 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. To consider and fix Auditors' remuneration for financial year 2018-19.

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

Place: Kamareddy

Date: 05.10.2018

Sd/-  
**LEELAANNAPUREDDY**  
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. 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 and directors liable to retire by rotation and seeking re-election is contained in the Statement annexed to Notice. The Directors have furnished the requisite consents/declarations for their appointment/re-appointment as per Companies Act, 2013 and rules thereunder.

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 be remain closed from Thursday, **08th November, 2018 to Monday, 12th November, 2018** (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. 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.
8. *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.*
9. The members are requested to address all their communications to M/s. Big Share Services Pvt Ltd, Hyderabad, the common agency to handle electronic connectivity and the shares in physical mode or at the Corporate Office of the Company for prompt redressal.
10. Members who are still holding shares in physical form are advised to dematerialize their shareholding to avail of the benefits of dematerialization which include easy liquidity since trading is permitted only in dematerialized form, electronic transfer, savings in stamp duty, prevention of forgery, etc.
11. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during normal business hours (9:00 A.M. to 5:00 P.M.) on all working days except Saturdays and Sundays, up to and including the date of the Annual General Meeting of the Company.
12. Members/Proxies should bring the duly filled Attendance slip enclosed herewith to attend the Meeting.
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 29th 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 **03rd November, 2018** 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:

<b>For Members holding shares in Demat Form and Physical Form</b>	
<i>PAN</i>	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul>
<i>Bank Account or Date of Birth (DOB)</i>	<p>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.</p> <ul style="list-style-type: none"> <li>• <b>If both the details are not recorded with the depository or company please enter the member id / folio number in the Bank details field as mentioned in instruction (d).</b></li> </ul>

- (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](http://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](mailto: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 Thursday, 08th November, 2018 to 5 P.M. on Sunday 11th November, 2018.**
- (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](http://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 Scrutinizer, after scrutinizing the votes cast at the meeting (Insta Poll) and through remote e-voting, will, not later than forty eight hours of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company and on the website of CDSL. The results shall simultaneously be communicated to the Stock Exchanges.
- IV. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. November 14, 2018.

**Additional information on Directors recommended for appointment / re-appointment as require under Regulation 36 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.**

<b>Name of Director</b>	<b>SRI SRINIVAS REDDY ANNAPUREDDY</b>
<b>DIN No.</b>	01253937
<b>Age</b>	38 Years
<b>Date of First Appointment</b>	30.01.2007
<b>Nature of Expertise in specific functional area</b>	He has experience of more than 7 years in Management & Adminstation Granite Industry and well versed in Computer Management Control.
<b>Disclosure of relationships between directors inter-se</b>	Mr. Srinivas Reddy Annapareddy is Son of Mrs. Leela Anna pareddy, Managing Director of the Company
<b>Names of the listed companies in which the person holds the directorship and the membership of committees of the Board</b>	Nil
<b>No. of Shares held in the company</b>	6,68,545 Fully Paid-up Equity Shares of Rs. 10/- each
<b>Qualification</b>	M.S. in Computer Science, USA

## DIRECTORS' REPORT

To

The Members

Your Directors have pleasure in presenting the Twenty Ninth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2018.

The Statement of Accounts have been prepared in accordance with Indian Accounting Standards (IND AS) which have been made applicable to the Company w.e.f. 1st April, 2017 as per the Rules laid down in this regard. Accordingly, accounts of the Company have been restated w.e.f. 1st April, 2016 (being comparative year for the current financial year) as per the INDAS requirements.

### 1. REVIEW OF PERFORMANCE:

(Amount in Rs.)

Particulars	Current Year 31.03.2018	Previous Year 31.03.2017
Revenue from Operations	10,16,899	71,72,965
Other Income	1,47,706	89,23,085
<b>Total Income</b>	<b>11,64,605</b>	<b>1,60,96,050</b>
<b>Total Expenses</b>	<b>88,37,087</b>	<b>2,98,14,017</b>
<b>Net Profit/(Loss) Before Exceptional Items and Tax</b>	<b>(76,72,482)</b>	<b>(1,37,17,967)</b>
Less: Exceptional Items	--	--
Less: Provision for tax including Deferred Tax	--	--
<b>Net Profit/(Loss) after tax</b>	<b>(76,72,482)</b>	<b>(1,37,17,967)</b>
<b>EPS</b>		
Basic	0	0
Diluted	0	0

### 2. OPERATIONAL REVIEW:

During the financial year 2017-18, your Company recorded Turnover of **Rs. 10.17 Lakhs** compared to Turnover of Rs. 71.72 Lakhs and incurred a Net Loss after tax of **Rs. 76.72 Lakhs** as against Net Loss after tax of Rs. 137.18 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.

Your Company has been inoperative during the financial year under review. The Revenue from operations represents amounts realized on sale of Stock in hand. Your Board of Directors are looking various prospects to revive the company.

### 3. DIVIDENDS:

As there are no operations in the Company, your directors do not recommend any dividends for the financial year 2017-18.

### 4. DEPOSITS:

Your 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, 2018.

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. 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.

**7. 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, 2018, 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, 2018 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.

**8. 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 2017-18. The gap 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:

S. No.	Names of Directors	Board Meetings					
		30.05.2017	15.07.2017	23.08.2017	10.11.2017	08.12.2017	31.01.2018
1.	Saya Reddy Chennolla	Yes	Yes	Yes	Yes	No	Yes
2.	Ranga Reddy Mettu	No	No	No	No	No	No
3.	Leela Annapareddy	Yes	Yes	Yes	Yes	Yes	Yes
4.	Srinivas Reddy Annapureddy	Yes	Yes	Yes	Yes	Yes	Yes
5.	Prabhu Reddy Kandula	Yes	Yes	Yes	Yes	No	Yes

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

During the year, Mr. Veera Venkata Satyanarayana Katta resigned from the position of Chief Financial Officer (CFO) of the Company and Mr. Chandra Shekar Reddy Tirumalareddy was appointed as Chief Financial Officer (CFO) of the Company w.e.f. 30.05.2017.

**iii) Significant events after close of financial year:**

Mr. Ranga Reddy Mettu, Independent director of the Company has resigned from the directorship of the Company w.e.f 16.08.2018. The Board puts on records appreciation for services rendered by him during his tenure as independent director of the company.

**iv) 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.

**v) Independent Directors:**

The following Independent Directors who were appointed for a period of Five (5) years, continue to be on the Board:

1. Mr. Saya Reddy Chennolla w.e.f 29.09.2014
2. Mr. Ranga Reddy Mettu w.e.f 29.09.2014 (upto 16.08.2018)
3. Mr. Prabhu Reddy Kandula w.e.f 28.09.2016

**vi) 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.

**vii) 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. Saya Reddy Chennolla | - | Chairman |
| 2. Mr. Ranga Reddy Mettu    | - | Member   |
| 3. Mr. Prabhu Reddy Kandula | - | Member   |

The committee met Four times during the financial year 30.05.2017, 15.07.2017, 10.11.2017 and 31.01.2018 attendance of each Member of Committee is as follows:

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

▲ **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.

(b) **NOMINATION AND REMUNERATION 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, positive attributes, independence of directors and recommend to the board a policy relating to the remuneration of the directors Key Managerial Employees and other employees.

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.

▲ **Composition:**

**The Nomination & Remuneration Committee constitutes of following directors:**

1. Mr. Ranga Reddy Mettu - Chairman
2. Mr. Saya Reddy Chennolla - Member
3. Mr. Prabhu Reddy Kandula - Member

▲ **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 31.03.2018 to Managing Director is as under:

Name	Designation	Remuneration paid / to be paid for Financial Year 2017-18 (in ₹.)		
		Salary & Perks	Commission	Total
Mrs Leela Annapureddy	Managing Director	3,60,000	-	3,60,000

(c) **Stakeholders' Relationship Committee:**

Composition of Stakeholders Relationship Committee is as follows.

1. Mr. Ranga Reddy Mettu - Chairman
2. Mr. Srinivas Reddy Annapureddy - Member
3. Mr. Saya Reddy Chennolla - Member

**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;

viii) **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 2017-18, no employee has been denied access to the Audit Committee.

**ix) Related Party Transactions:**

Your 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.

**9. AUDITORS:**

M/s. Suresh Gupta Y & Co., Chartered Accountants (FRN: 009012S), Statutory Auditors were appointed at the Twenty Eighth AGM of the Company to hold the office for a period of five years until the conclusion of the 33rd Annual General Meeting of the Company to be held in the financial year 2022. The Company has obtained consent from the Auditors expressing their willingness to continue as statutory Auditors for financial year 2018-19 and that they are eligible for such continuation of their appointment.

Further pursuant to section 142 of the Companies Act, 2013 payment of remuneration to Auditors requires approval of members in general meeting, hence resolution commended for the approval of Shareholders to authorize the board to negotiate and fix their remuneration for FY 2018-19.

**10. AUDITORS REPORT:**

The Auditors' Report for fiscal 2018 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this annual report.

**11. SECRETARIAL AUDITORS:**

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 2017-18. The Secretarial Audit Report for Financial year 2017-18 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 ORDERS:**

There are no significant and material orders 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, Guarantees 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 2018. 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:**

As Company is inoperativy, the particulars as prescribed under Section 134(3)(m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, are NIL.

**FOREIGN EXCHANGE EARNINGS AND OUTGO: (Amount in )**

Particulars	31 <sup>st</sup> March, 2018
Foreign exchange earnings	--
Foreign exchange outgo	--

**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 3.

**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.

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.

Place: Kamareddy  
Date: 05.10.2018

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

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 31.03.2018**

[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  
Survey No. 225, Baswapur Village - 500 101,  
Bhiknoor(M), Kamareddy Dist.

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 31.03.2018 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, 2018 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.
  - (d) SEBI (Share Based Employee Benefits) Regulations, 2014. **Not Applicable**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (g) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable** and
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable**

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 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 1 and 2 issued by The Institute of Company Secretaries of India.

#### **MANAGEMENT RESPONSIBILITY:**

1. Maintenance of 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 is the responsibility of Management. Our responsibility as the Secretarial Auditor is to express an opinion on these secretarial records, systems, standards and procedures based on our audit.
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company;
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc;
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
6. 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.

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:05.10.2018

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

## ANNEXURE - 2

**Form No. MGT - 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the Financial Year ended on 31.03.2018**  
**[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	<b>SRI VAJRA GRANITES LIMITED</b>
4.	Category/Sub-Category of the Company	Company Limited By Shares / Non-govt company
5.	Address of the Registered office and contact details	Survey No. 225, Baswapoor Village, Bhiknoor Mandal, Baswapoor, Nizamabad - 503 101
	Phone	9849996437
	Fax	--
	E-mail ID	srivajragranites@gmail.com
6.	Whether listed company	Yes
7.	Name and Address of Registrar & Transfer Agents (RTA) if any	M/s. Big Share Services Private Limited #306, 3 <sup>rd</sup> Floor, Right Wing, Amrutha Ville, Opp. Yashoda Hospital, Raj Bhavan Road, Somajiguda, Hyderabad – 500 082 Phone: 040-23374967 Fax: 040-23370295 E-mail: bsshyd1@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/GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
Nil					

### IV. 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 the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters'</b>									
<b>(1) Indian</b>									
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
<b>Sub Total (A)(1)</b>	<b>1874338</b>	<b>0.00</b>	<b>1874338</b>	<b>25.81</b>	<b>1874338</b>	<b>0.00</b>	<b>1874338</b>	<b>25.81</b>	<b>0.00</b>
<b>(2) Foreign</b>									
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
<b>Sub-total (A) (2):-</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>1874338</b>	<b>0.00</b>	<b>1874338</b>	<b>25.81</b>	<b>1874338</b>	<b>0.00</b>	<b>1874338</b>	<b>25.81</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
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) FII's	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
<b>Sub-total (B)(1):-</b>	<b>1800</b>	<b>29500</b>	<b>31300</b>	<b>0.43</b>	<b>1800</b>	<b>29500</b>	<b>31300</b>	<b>0.43</b>	<b>0.00</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	45400	23400	68800	0.95	40700	23400	64100	0.88	-0.07
ii) Overseas	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs.1 Lakh	544793	2048687	2593480	35.71	554393	2039987	2594380	35.72	+0.01
ii) Individual shareholders holding nominal share capital in excess of Rs 1 Lakh	2646382	47400	2693782	37.09	2648082	47400	2695482	37.12	+0.03
<b>c) Others (specify)</b>									
(c-i) Clearing Members	0.00	0.00	0.00	0.00	1600	0.00	1600	0.02	+0.02
(c-ii) Non-Resident Indians	500	0.00	500	0.00	1000	0.00	1000	0.01	+0.01
<b>Sub-total (B)(2):-</b>	<b>3237075</b>	<b>2119487</b>	<b>5356062</b>	<b>73.76</b>	<b>3245775</b>	<b>2110787</b>	<b>5356562</b>	<b>73.76</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>3238875</b>	<b>2148987</b>	<b>5387862</b>	<b>74.19</b>	<b>3247575</b>	<b>2140287</b>	<b>5387862</b>	<b>74.19</b>	<b>0.00</b>
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
<b>Grand Total (A+B+C)</b>	<b>5113213</b>	<b>2148987</b>	<b>7262200</b>	<b>100.00</b>	<b>5121913</b>	<b>2140287</b>	<b>7262200</b>	<b>100.00</b>	<b>0.00</b>

## B. Shareholding of Promoters

S. No	Names of the Shareholders	Shareholding at the beginning of the year			Share holding at the end of the year			% 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.	Vijaya Laxmi Lete	4,38,900	6.04	0.00	4,38,900	6.04	0.00	0.00
2.	Leela Annapareddy	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.	Namratha Annapareddy	40,000	0.55	0.00	40,000	0.55	0.00	0.00
<b>Total</b>		<b>18,74,338</b>	<b>25.81</b>	<b>0.00</b>	<b>18,74,338</b>	<b>25.81</b>	<b>0.00</b>	<b>0.00</b>

### 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 were no changes 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.	Prahlad 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
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.	Mahendra Girdharilal	At the beginning of the year	136100	1.87	135800	1.87
		At the end of the year	136100	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
11	Srinivas 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
12	Madhu 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
13	Anand Kumar 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
14	Kailash Mantri	At the beginning of the year	100000	1.38	100000	1.38
		At the end of the year	100000	1.38	100000	1.38
15	Devender Srinivas 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
16	Pramod 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
17	Kailash Mantri HUF	At the beginning of the year	100000	1.38	100000	1.38
		At the end of the year	100000	1.38	100000	1.38
18	Hanuman Das 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
19	Annapurna Mantri	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 & 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	01.04.2017	-	-	6,68,545	9.21
		6,68,545	9.21	31.03.2018			6,68,545	9.21
2	Annareddy Leela	7,26,893	10.01	01.04.2017	-	-	7,26,893	10.01
		7,26,893	10.01	31.03.2018			7,26,893	10.01
3	Saya Reddy Chennolla	-	-	01.04.2017	-	-	-	-
		-	-	31.03.2018			-	-
4	Ranga Reddy Mettu	-	-	01.04.2017	-	-	-	-
		-	-	31.03.2018			-	-
5	Prabhu Reddy Kandula	-	-	01.04.2017	-	-	-	-
		-	-	31.03.2018			-	-
6	Chandra Shekar Reddy Tirumalareddy (CFO)**	-	-	01.04.2017	-	-	-	-
		-	-	31.03.2018			-	-

\*\* Chandra Shekar Reddy Tirumalareddy has been appointed as Chief Financial Officer w.e.f. 30.05.2017

### 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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	--	2,50,43,824	-	2,50,43,824
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>--</b>	<b>2,50,43,824</b>	<b>-</b>	<b>2,50,43,824</b>
<b>Change in Indebtedness during the financial year</b>				
Addition / (Reduction)		15,55,209	-	15,55,209
<b>Net Change</b>		<b>15,55,209</b>	<b>-</b>	<b>15,55,209</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	--	2,65,99,033	-	2,65,99,033
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>--</b>	<b>2,65,99,033</b>	<b>-</b>	<b>2,65,99,033</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

S. No	Particulars of Remuneration	Mrs. Leela Annapureddy Managing Director	Total Amount
1	<b>Gross salary</b> (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,60,000	3,60,000
	(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		
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify	-	-
<b>Total A</b>		<b>3,60,000</b>	<b>3,60,000</b>
<b>Ceiling as per the Act</b>		<b>60,00,000</b>	<b>60,00,000</b>

### B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	A. Srinivas Reddy	Saya Reddy Chennolla	Ranga Reddy Mettu	Prbhu Reddy Kandula	Total
1.	Independent Directors					
	• Fee for attending board / committee meetings	-	22,000	--	11,100	33,100
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	-	<b>22,000</b>	<b>--</b>	<b>11,100</b>	<b>33,100</b>
2.	Other Non-Executive Directors					
	• Fee for attending board / committee meetings	22,200	-	-	-	22,200
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	<b>22,200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,200</b>
	<b>Total (B)=(1+2)</b>	<b>22,200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55,300</b>
	<b>Total Managerial Remuneration</b>					<b>4,15,300</b>
	<b>Overall Ceiling as per the Act*</b>					<b>84,00,000</b>

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

S. No.	Particulars of Remuneration	T Chandrashekhar Reddy (CFO)	Total
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,80,579	1,80,579
	(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	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit Others specify	-	-
5	Others, please specify	-	-
	<b>Total</b>	<b>1,80,579</b>	<b>1,80,579</b>

\*\* Chandrashekhar Reddy Tirumalareddy appointed as Chief Financial officer w.e.f 30.05.2017.

**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**

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**INDIAN ECONOMY**

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19.

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. Make in India is launched with an initiative to aim and boost the manufacturing sector of Indian economy, to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors. The Government of India, under the Make in India initiative, is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP from the current 17 per cent. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

Given the volatile input cost environment and heightened competitive intensity, the operating environment for your Company during the year continued to be challenging. Your Company's performance for the year 2017-18 has to be viewed in the context of aforesaid economic and market environment.

## **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.

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.

## **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:**

Since July, 2015 Company has stopped production due to unviable market conditions and acute financial position of the Company. During the Financial Year 2017-18, the Company had revenue of Rs. 10.17 Lakhs from sale of inventories and incurred a expenditure of Rs. 88.37 Lakhs and net loss of Rs. 76.72 Lakhs.

Board of Directors of the company are waging different options to revive the operations of the company.

## **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS FRONT:**

Your Company's human resource management systems and processes are designed to enhance employee engagement, organizational capability and vitality so as to ensure that competitive superiority and capable of achieving your Company's ambitious plans for growth.

## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS Financial Statements of **SRI VAJRA GRANITES LIMITED** ("the company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (Including Other Comprehensive Income), Statement of Cash Flows and the Statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone Financial Statements**

The company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit/loss (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and effectively design, implementation and maintenance of adequate internal financial controls, that were operating for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS 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 Ind AS 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 Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS Financial Statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting

principles generally accepted in India including the Ind AS of the state of affairs of the Company as at 31st March, 2018, its Profit (including other comprehensive income), its cash flows and its changes in equity for the year ended on that date.

### **Others**

The comparative financial information of the Company for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2014 audited by the predecessor auditor whose reports for the years ended 31 March 2017 and 31 March 2016 dated 30th May 2017 and 30th May 2016 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. Our opinion is not modified in respect of these matters.

### **Report on other Legal and Regulatory Requirements**

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 given in the 'Annexure A' statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.

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 and statement of changes in equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.
- e) On the basis of written representations received from the directors as on 31 March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018, 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 included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, to our best of our information and according to the explanations given to us :
  - i. The Company has does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses
  - iii. The company is required to transfer Rs. 1078800 being the amount received from deceased director towards advance against share capital and no allotment of share capital could be maid. The amount was not claimed for more than 7 years.

**For Suresh Gupta.Y & Co.**  
Chartered Accountants  
FR No 009012S

Date: 29.05.2018  
Place: Hyderabad

Sd/-  
**SURESH GUPTAY**  
Proprietor  
Membership No.209738

**Annexure 'A' To The Independent Auditor's Report**  
**(This is the Annexure referred to in our Report of even date)**

- i.
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. All fixed assets have been physically verified by the Management during the year, in our opinion, is reasonable having regard to the size of the Company and the nature of its Assets. No material discrepancies were noticed on such verification.
  - c. According to the information and explanations given to us all the title deeds of immovable properties are held in the name of the company.
- ii.
  - a. The Management has conducted physical verification of inventory at reasonable intervals during the year.
  - b. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- 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.
- vi. The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, which apply to the Company.
- vii. (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, value added tax, Goods and Services Tax, cess and other material statutory dues applicable to it.  
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, value added tax, Goods and Services Tax, cess and other material statutory dues were outstanding at the year end, for a period of more than six months from the date they became payable.  
(c) According to the records of the Company, there were no dues outstanding of income-tax, sales-tax, service tax, value added tax, Goods and Services Tax and cess on account of any dispute.
- viii. The Company has no dues to any bank, financial institution or government. It does not have any debentures.
- ix. In our opinion, based on the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans and hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- x. Based upon the audit procedures performed and according to the information and

explanations given to us by the Management, no material fraud on or by the Company has been noticed or reported by the Management during the year.

- xi. According to the records of the Company and on the basis of the information and explanations given to us, managerial remuneration has been paid or provided in accordance in compliance with the provisions of section 197 read with schedule V of the Companies Act, 2013.
- xii. In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- xiii. In our opinion, and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Ind AS Financial Statements etc, as required by the applicable accounting standards;
- xiv. In our opinion, and according to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. In our opinion, and according to the information and explanations given to us, the company has not entered into any 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 Suresh Gupta.Y & Co.**  
Chartered Accountants  
FR No 009012S

Date: 29.05.2018  
Place: Hyderabad

Sd/-  
**SURESH GUPTA Y**  
Proprietor  
Membership No.209738



## **Annexure - B to the Auditors' 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 2018 in conjunction with our audit of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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; and (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 Ind AS 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 2018, 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 Suresh Gupta.Y & Co.**  
Chartered Accountants  
FR No 009012S

Date: 29.05.2018  
Place: Hyderabad

Sd/-  
**SURESH GUPTAY**  
Proprietor  
Membership No.209738

# SRI VAJRA GRANITES LIMITED

Balance Sheet as at March 31, 2018

(INR Rupees)

Particulars	Notes	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
<b>ASSETS</b>				
<b>1. Non-Current Assets</b>				
Property, plant and equipment	3	16,936,648	19,045,231	21,404,479
Investment property		-	-	-
Financial assets		-	-	-
- Investments		-	-	-
- Trade Receivables		-	-	-
- Long-term loans and advances	4	38,092	38,092	96,975
- Others		-	-	-
Deferred tax assets (Net)		-	-	-
Other non-current assets				
<b>2. Current Assets</b>				
<b>a) Inventories</b>	5	7,735,042	12,409,787	32,966,370
<b>b) Financial Assets</b>				
- Current investments		-	-	-
- Trade and other receivables	6	9,995,660	10,187,660	14,476,486
- Cash and cash equivalents	7	13,789	19,436	622,190
- Bank Balances other than above		-	-	-
- Short term loans and advances	4	3,467,222	3,823,999	4,728,743
Assets for current tax (net)		-	-	-
Other current assets		-	-	-
<b>TOTAL ASSETS</b>		<b>38,186,453</b>	<b>45,524,205</b>	<b>74,295,243</b>
<b>EQUITY AND LIABILITIES</b>				
<b>1. EQUITY</b>				
a) Equity Share Capital	8	72,628,500	72,628,500	72,628,500
b) Other Equity	9	(110,230,274)	(102,557,792)	(88,839,825)
<b>2. LIABILITIES</b>				
<b>a. Non Current Liabilities</b>				
Long term provisions	10	606,002	1,227,094	4,002,498
Deferred tax liabilities (Net)		-	-	-
Other non-current liabilities		-	-	-
<b>b. Current liabilities</b>				
<b>Financial Liabilities</b>				
- Short term borrowings	11	26,599,033	25,043,824	32,021,828
- Trade and other payables	12	6,117,315	6,642,160	7,690,315
- Other financial liabilities		-	-	-
Other current liabilities	13	41,984,135	41,211,995	41,881,847
Short-term provisions	14	481,742	1,328,424	4,910,080
Liabilities for current tax (net)		-	-	-
Short-term provisions		-	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>38,186,453</b>	<b>45,524,205</b>	<b>74,295,243</b>

As per our report of even date attached

For **Suresh Gupta.Y & Co.**

Chartered Accountants

FR No 009012S

for and on behalf of the Board of Directors

**SRI VAJRA GRANITES LIMITED**

Sd/-

**SURESH GUPTA Y**

Proprietor

Membership No.209738

Place: Hyderabad

Date: 29.05.2018

Sd/-

**A. Leela**

Managing Director

Sd/-

**Chennolla Saya Reddy**

Chairman

Sd/-

**T.Chandra Shekar Reddy**

Chief Financial Officer

# SRI VAJRA GRANITES LIMITED

## Statement of profit and loss for the year ended March 31, 2018

(Rupees)

Particulars	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>I. INCOME</b>			
Revenue from operations	15	1,016,899	7,172,965
Other income	16	147,706	8,923,085
<b>TOTAL REVENUE</b>		<b>1,164,605</b>	<b>16,096,050</b>
<b>II. EXPENSES</b>			
a. Cost of Materials Consumed	17	-	-
b. Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	18	4,652,534	14,708,633
c. Manufacturing Expenses	19	32,012	5,938,057
d. Employee Benefits Expense	20	647,474	4,562,858
e. Finance Costs	21	931	296,627
f. Depreciation	22	2,106,288	2,119,034
g. Other Expenses	23	1,397,848	2,188,808
<b>TOTAL EXPENSES</b>		<b>8,837,087</b>	<b>29,814,017</b>
<b>III. Profit before exceptional items and tax (I-II)</b>		<b>(7,672,482)</b>	<b>(13,717,967)</b>
IV. Exceptional items		-	-
<b>V. Profit before tax (III-IV)</b>		<b>(7,672,482)</b>	<b>(13,717,967)</b>
<b>VI. Tax expense:</b>			
(1) Current tax		-	-
(2) Deferred tax		-	-
<b>VII. Net Profit for the Period</b>		<b>(7,672,482)</b>	<b>(13,717,967)</b>
<b>VIII. Other Comprehensive Income</b>			
- Items that will not be reclassified to profit or loss		-	-
- Income tax relating to items that will not be reclassified to		-	-
- Items that will be reclassified to profit or loss		-	-
- Income tax relating to items that will be reclassified to		-	-
<b>IX. Total comprehensive income for the period</b>		<b>(7,672,482)</b>	<b>(13,717,967)</b>
<b>X. Earnings per equity share: (Basic and Diluted)</b>		-	-

As per our report of even date attached

For **Suresh Gupta.Y & Co**  
Chartered Accountants  
FR No 009012S

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

Sd/-  
**SURESH GUPTA Y**  
Proprietor  
Membership No.209738

Sd/-  
**A. Leela**  
Managing Director

Sd/-  
**Chennolla Saya Reddy**  
Chairman

Place: Hyderabad  
Date: 29.05.2018

Sd/-  
**T.Chandra Shekar Reddy**  
Chief Financial Officer

## SRI VAJRA GRANITES LIMITED

Cash Flow Statement for the Year ended 31st March, 2018

(INR Rupees)

Item No.	PARTICULARS	As At 31 March, 2018	As At 31 March, 2017
<b>A.</b>	<b>Cash Flow from Operating Activities</b>		
	Net Profit/(Loss) before Tax after & Extraordinary items	(7,672,482)	(13,717,967)
	<b>Adjustments for:</b>		
	Depreciation and Amortization	2,106,288	2,119,033
	Finance Cost	931	296,627
	Profit/Loss on Sale of Fixed Assets	(147,706)	(8,922,285)
	Operating Profit/(Loss) before Working Capital changes	(5,712,969)	(20,224,592)
	<b>Adjustments for Changes in Assets and Liabilities</b>		
	Inventories	4,674,745	20,556,583
	Trade Receivables	192,000	4,288,826
	Loans and other Financial Assets and Other Assets	356,777	963,627
	Trade Payables	(524,845)	(1,048,155)
	other Financial Liabilities, Other Liabilities and Provisions	859,575	(14,004,916)
	Cash generated from operations	(154,717)	(9,468,627)
	Interest & Finance Charges paid	(931)	(296,627)
	Interest Received	-	-
	<b>Net Cash Flow from operating Activities</b>	<b>(155,648)</b>	<b>(9,765,254)</b>
<b>B.</b>	<b>Cash Flow from Investing Activities:</b>		
	Purchase/Additions of Fixed Assets	-	-
	Sale of Fixed Assets	150,000	9,162,500
	<b>Net Cash Flow Investing Activities</b>	<b>150,000</b>	<b>9,162,500</b>
<b>C.</b>	<b>Cash Flow from Financing Activities</b>		
	Proceeds from Issue of Shares	-	-
	<b>Net Cash Flow from Financing Activities</b>	<b>-</b>	<b>-</b>
	<b>Net increase in Cash &amp; Cash Equivalents</b>	<b>(5,648)</b>	<b>(602,754)</b>
	Opening Balance of Cash and Cash Equivalents	19,436	622,187
	<b>Closing Balance of Cash and Cash Equivalents</b>	<b>13,788</b>	<b>19,433</b>

As per our report of even date attached

For **Suresh Gupta.Y & Co**

Chartered Accountants

FR No 009012S

for and on behalf of the Board of Directors

**SRI VAJRA GRANITES LIMITED**

Sd/-

**SURESH GUPTA Y**

Proprietor

Membership No.209738

Sd/-  
**A. Leela**

Managing Director

Sd/-

**Chennolla Saya Reddy**

Chairman

Sd/-

**T.Chandra Shekar Reddy**

Chief Financial

Officer

Place: Hyderabad

Date: 29.05.2018

**SRI VAJRA GRANITES LIMITED****Statement of Changes in Equity for the year ended March 31, 2018****a) Equity Share Capital**

<b>For the year ended 31st March, 2017</b>	
Balance as at 01st April, 2016	7,263,500
Changes in equity share capital during the year	-
<b>Balance as at 31st March, 2017</b>	<b>7,263,500</b>
<b>For the year ended 31st March, 2018</b>	
Balance as at 01st April, 2017	7,263,500
Changes in equity share capital during the year	-
<b>Balance as at 31st March, 2018</b>	<b>7,263,500</b>

**b) Other Equity**

Particulars	Reserves & Surplus		
	Capital Reserve	Retained Earnings	Total
<b>Balance as at April 1, 2016</b>	2,498,051	(61,613,659)	(59,115,608)
Total Comprehensive Income for the Year			-
i) Additions during the year	-	-	-
ii) Utilisation during the year	-	-	-
iii) Profit / (Loss) for the year	-	(29,724,217)	(29,724,217)
iv) Other Comprehensive Income	-	-	-
<b>Balance as at March 31, 2017</b>	2,498,051	(91,337,876)	(88,839,825)
Total Comprehensive Income for the Year	-	-	-
i) Additions during the year	-	-	-
ii) Utilisation during the year	-	-	-
iii) Profit / (Loss) for the year	-	(13,717,967)	(13,717,967)
iv) Other Comprehensive Income	-	-	-
<b>Balance as at March 31, 2018</b>	<b>2,498,051</b>	<b>(105,055,843)</b>	<b>(102,557,792)</b>

As per our report of even date attached  
For **Suresh Gupta.Y & Co**  
Chartered Accountants  
FR No 009012S

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

Sd/-  
**SURESH GUPTA Y**  
Proprietor  
Membership No.209738

Sd/-  
**A. Leela**  
Managing Director

Sd/-  
**Chennolla Saya Reddy**  
Chairman

Sd/-  
**T.Chandra Shekar Reddy**  
Chief Financial Officer

Place: Hyderabad  
Date: 29.05.2018

## SRI VAJRA GRANITES LIMITED

### Notes to financial statements for the year ended March 31, 2018

1 Basis of accounting and preparation of Financial Statements

**a) Company Overview**

The Company is a public limited company domiciled in India incorporated under the provisions of the Companies Act. Its shares is listed in a recognised stock exchanges (i.e. BSE Limited) in India and company is engaged into the activity of processing Granite slabs. The principal place of business is situated at Survey No 225, Baswapur village, Bhiknoor Mandal, Kamareddy Dist, Telangana.

**b) Basis of accounting and preparation of Financial Statements**

The Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended, notified under Section 133 of the Companies Act, 2013 ("Act") and other relevant provisions of the Act.

The Financial Statements upto year ended 31st March, 2017 were prepared in accordance with accounting standards notified under the Company (Accounting Standards) Rules 2014 read with Rule 7(1) of the Companies (Accounts) Rules, 2014 and the provisions of the Companies Act, 2013 (hereinafter referred to as the 'previous GAAP').

These Financial Statements are the first financial statements of the company under Ind AS - the transition date being 1st April, 2016. The information as to how the company has adopted Ind AS and the impact thereof on Company's financial position, financial performance and cash flows is presented in notes to financial statements.

"The financial statements have been prepared under the historical cost basis. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Company's management evaluates all recently issued or revised accounting standards on an on-going basis."

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest rupee. Where changes are made in presentation, the comparative figures of the previous year are regrouped and re-arranged accordingly.

**c) ACCOUNTING ESTIMATES AND ASSUMPTIONS:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the

revision and future periods if the revision affects both current and future periods.

**d) Operating Cycle and Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification in accordance with Part-I of Division- II of Schedule III of the Companies Act, 2013.

An asset is treated as current when (a) It is expected to be realised or intended to be sold or consumed in normal operating cycle; (b) It is held primarily for the purpose of trading; or (c) It is expected to be realised within twelve months after the reporting period, or (d) The asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when (a) It is expected to be settled in normal operating cycle; or (b) It is held primarily for the purpose of trading; or (c) It is due to be settled within twelve months after the reporting period, or (d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, results in its settlement by the issue of equity instruments do not affect its classification. The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its normal operating cycle.

**2 Significant Accounting Policies**

**a) Property, Plant and Equipment & Depreciation**

Property, Plant and Equipment are stated at original cost (net of tax/duty credit availed) less accumulated depreciation and impairment losses except freehold land which is carried at cost. Cost includes cost of acquisition, construction and installation, taxes, duties, freight, other incidental expenses related to the acquisition, trial run expenses (net of revenue) and pre-operative expenses including attributable borrowing costs incurred during pre-operational period.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment as at 1st April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Property, Plant and Equipments including continuous process plants are depreciated and/or amortised on the basis of their useful lives as notified in Schedule II to the Companies Act, 2013 except in case of assets costing less than Rs.5,000 which are depreciated over their useful life as assessed by the management. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

**b) Revenue recognition**

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of



when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

**c) Inventories**

Raw materials and stores, work-in-progress, traded and finished goods are stated at the lower of cost, calculated on weighted average basis and net realizable value. Cost of raw materials and stores comprise of cost of purchase. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other cost incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**d) Foreign Currencies**

Functional currency: The functional currency of the Company is the Indian rupee.

Transactions and translations: Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign-currency-denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

**e) Impairment of Assets**

Non Financial Assets :The carrying value of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve for that asset.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the

Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

Financial assets: The Company assesses on a forward-looking basis the expected credit losses associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**e) Provisions and Contingent Liabilities**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are not recognised in the Financial Statements.

**f) Non-derivative financial instruments**

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

**(a) Financial assets**

The Company classifies its financial assets as those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and those to be measured at amortised cost.

Trade receivables represent receivables for goods sold by the Company upto to the end of the financial year. The amounts are generally unsecured and are usually received as per the terms of payment agreed with the customers. The amounts are presented as current assets where receivable is due within 12 months from the reporting date. They are recognised initially and subsequently measured at amortised cost.

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset, or when it has transferred substantially all the risks and rewards of the asset, or when it has transferred the control of the asset.

Investments that are readily realisable and intended to be held for not more than a year are classified as Current investments. All other investments are classified as Non-Current/Long-term Investments. Current investments are carried at lower of cost or market value on individual investment basis. Non-Current Investments are considered at cost, unless there is an "other than temporary" decline in value, in which case adequate provision is made for the diminution in the value of Investments.

**(b) Financial liabilities**

borrowings are initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost on accrual basis. Borrowings are removed from balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

Trade Payables represent liabilities for goods and services provided to the Company upto to the end of the financial year. The amounts are unsecured and are usually paid as per the terms of payment agreed with the vendors. The amounts are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially and subsequently measured at amortised cost.

Financial assets and Financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**g) Earnings Per Share**

Basic EPS is computed by dividing the profit or loss attributable to the equity shareholders of the Company by the weighted average number of Ordinary shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential Ordinary shares.

**h) Accounting for Taxes on Income**

Tax expenses comprise of current tax and deferred tax including applicable surcharge and cess. Current Income tax is computed using the tax effect accounting method, where taxes are accrued in the same period in which the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

Income-tax expenses comprises current tax and deferred tax charge or release. The deferred tax charge or credit is recognised using current tax rates. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets based on expected future profits. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Such assets are reviewed as at each Balance Sheet date to reassess realisation.

**SRI VAJRA GRANITES LIMITED**

**Notes to financial statements**

(All amounts are in Indian rupees except as otherwise stated)

**3 Property Plant and Equipment**

	Quarry Land	Land & Site development	Electrical Equipment	Buildings	Plant and machinery	Office Equipment	Furniture and fixtures	Vehicles	Total fixed assets
<b>Cost</b>									
<b>As at April 1, 2016</b>	669,846	2,042,035	6,353,895	20,857,350	137,779,237	642,731	78,027	117,572	168,540,693
Additions	-	-	-	-	-	-	-	-	-
Deletions	-	(240,215)	-	-	-	-	-	-	(240,215)
<b>As at March 31, 2017</b>	<b>669,846</b>	<b>1,801,820</b>	<b>6,353,895</b>	<b>20,857,350</b>	<b>137,779,237</b>	<b>642,731</b>	<b>78,027</b>	<b>117,572</b>	<b>168,300,478</b>
Additions	-	-	-	-	-	-	-	-	-
Deletions	-	(2,294)	-	-	-	-	-	-	(2,294)
<b>As at March 31, 2018</b>	<b>669,846</b>	<b>1,799,526</b>	<b>6,353,895</b>	<b>20,857,350</b>	<b>137,779,237</b>	<b>642,731</b>	<b>78,027</b>	<b>117,572</b>	<b>168,298,184</b>
<b>As at April 1, 2016</b>	602,035	-	5,465,084	10,181,201	130,177,203	540,598	69,515	100,578	147,136,214
Adjustment to opening Reserve	-	-	-	-	-	-	-	-	-
Charge for the year	8,322	-	361,330	496,170	1,226,228	12,396	1,844	12,744	2,119,034
Deletions	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2017</b>	<b>610,357</b>	<b>-</b>	<b>5,826,414</b>	<b>10,677,371</b>	<b>131,403,431</b>	<b>552,994</b>	<b>71,359</b>	<b>113,322</b>	<b>149,255,248</b>
Adjustment to opening Reserve	-	-	-	-	-	-	-	-	-
Charge for the year	8,324	-	361,328	496,168	1,226,228	12,396	1,844	-	2,106,288
Deletions	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2018</b>	<b>618,681</b>	<b>-</b>	<b>6,187,742</b>	<b>11,173,539</b>	<b>132,629,659</b>	<b>565,390</b>	<b>73,203</b>	<b>113,322</b>	<b>151,361,536</b>
<b>Net Block</b>									
<b>As at April 1, 2016</b>	67,811	2,042,035	888,811	10,676,149	7,602,034	102,133	8,512	16,994	21,404,479
<b>As at March 31, 2017</b>	59,489	1,801,820	527,481	10,179,979	6,375,806	89,737	6,668	4,250	19,045,230
<b>As at March 31, 2018</b>	51,165	1,799,526	166,153	9,683,811	5,149,578	77,341	4,824	4,250	16,936,648

**SRI VAJRA GRANITES LIMITED**

**Notes to financial statements**

(All amounts are in Indian rupees except as otherwise stated)

**4 Long term and short term Loans and Advances**

	Non-current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
<b>Security deposits</b>				
Unsecured, considered good	38,092	38,092	96,975	-
	<b>38,092</b>	<b>38,092</b>	<b>96,975</b>	-
<b>Other loans and advances</b>				
Advances for Expenses	-	-	303,464	303,854
Advances to Purchases	-	-	734,739	782,538
Other Advances/VAT Refundable	-	-	2,429,019	2,597,612
Interest Receivable	-	-	-	139,995
	-	-	<b>3,467,222</b>	<b>3,823,999</b>
	<b>38,092</b>	<b>38,092</b>	<b>3,467,222</b>	<b>4,728,743</b>
	<b>(A+B+)</b>		<b>3,467,222</b>	<b>4,728,743</b>

**5 Inventories (valued at lower of cost and net realisable value)**

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a) Raw Materials	332,173	332,173	332,173
b) Stock of Processed Goods	4,866,537	9,519,071	24,207,232
c) Stock of Finished Goods	113,218	113,218	133,690
d) Stores & Spares	910,092	910,092	1,115,692
e) Loose Tools (Consumables)	1,513,021	1,535,233	7,177,583
	<b>7,735,042</b>	<b>12,409,787</b>	<b>32,966,370</b>

<b>6</b>	<b>Trade receivables</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 1, 2016</b>
	Trade Receivables (Outstanding for a period of more than six months)	9,995,660	9,385,660	14,216,765
	Others, Unsecured, considered good	-	802,000	259,721
<b>7</b>	<b>- Cash and cash equivalents</b>	<b>9,995,660</b>	<b>10,187,660</b>	<b>14,476,486</b>
	<b>Cash and Cash equivalents</b>			
	Balance with banks	8,758	7,583	120,045
	- On current accounts	-	-	-
	Margin money deposit	5,030	11,853	502,145
	Cash on hand	<b>13,789</b>	<b>19,436</b>	<b>622,190</b>
<b>8</b>	<b>Share Capital</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 1, 2016</b>
	<b>Authorised Shares</b>			
	10,000,000 (March 31, 2016: 10,000,000) equity shares of Rs. 10 each	100,000,000	100,000,000	100,000,000
	<b>Issued and subscribed shares</b>			
	72,63,500 (March 31, 2016: 72,63,500) equity shares of Rs. 10 each	7,263,500	7,263,500	7,263,500
		<b>7,263,500</b>	<b>7,263,500</b>	<b>7,263,500</b>
	<b>Paid up Capital:</b>			
	72,62,200 (Previous year 72,62,200) Equity Shares of Rs. 10/- each fully paidup:	72,622,000	72,622,000	72,622,000
	<b>Add: Forfeited Shares amount</b> (on 1300 Shares at Rs. 5/- per share paidup)	6,500	6,500	6,500
		<b>72628500</b>	<b>72628500</b>	<b>72628500</b>

**a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year**

	As at March 31, 2018		As at March 31, 2017		March 31, 2016	
	Number	Amount in Rs.	Number	Amount in Rs.	Number	Amount in Rs.
At the beginning of the year	7262200	72,622,000	7262200	72,622,000	7,262,200	72,622,000
Shares issued/bought back during the year	0	-	0	-	-	-
Outstanding at the end of the year	<b>7,262,200</b>	<b>72,622,000</b>	<b>7,262,200</b>	<b>72,622,000</b>	<b>7,262,200</b>	<b>72,622,000</b>

**b) Terms/right attached to equity shares**

The Company has issued only one class of equity shares having par value of Rs 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c) Details of shareholders holding more than 5% shares in the Company**

Name of the shareholder	As at March 31, 2018			As at March 31, 2017			March 31, 2016		
	Number	% holding in the class	% holding in the class	Number	% holding in the class	% holding in the class	Number	% holding in the class	% holding in the class
<b>Equity shares of Rs. 10 each fully paid</b>									
A. Srinivas Reddy	668545	9.21	9.21	668545	9.21	9.21	668545	9.21	9.21
A. Leela	726893	10.01	10.01	726893	10.01	10.01	726893	10.01	10.01
Vijay Laxmi Iete	438900	6.04	6.04	438900	6.04	6.04	438900	6.04	6.04

As per the records of the Company, including its register of shareholders/members, the above shareholding represents legal and beneficial ownership.

**9 Other Equity**

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Capital Reserve - State Subsidy</b>	<b>2,498,051</b>	<b>2,498,051</b>	<b>2,498,051</b>

**Surplus in the statement of profit and loss**

Balance as per last financial statements	(105,055,843)	(91,337,876)	(61,613,659)
Profit / (loss) for the period/year	(7,672,482)	(13,717,967)	(29724217)
Add/Less: Transfer of Balances	-	-	-
<b>Net surplus/(deficit) in the statement of profit and loss</b>	<b>(112,728,325)</b>	<b>(105,055,843)</b>	<b>(91,337,876)</b>
	<b>(110,230,274)</b>	<b>(102,557,792)</b>	<b>(88,839,825)</b>

<b>10 Long Term provisions</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 1, 2016</b>
Provision for Gratuity	606,002	1,227,094	4,002,498
	606,002	1,227,094	4,002,498
<b>11 Short term borrowings</b>			
	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 1, 2016</b>
1. Export Packing Credit/Cash Credit - Andhra Bank *	-	-	11,718,002
2. Interest free loans from Directors	26,599,033	25,043,824	20,303,826
	<b>26,599,033</b>	<b>25,043,824</b>	<b>32,021,828</b>
*Secured by hypothecation of stocks of raw materials, consumables, stock-in- process, finished goods, stores & spares and other current assets First charge on fixed assets and personal guarantees of Mr.A.Srinivas Reddy, Managing Director.			
<b>12 Trade payables</b>			
	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 1, 2016</b>
Dues to Related parties	-	-	-
Dues to others	6,117,315	6,642,160	7,690,315
	<b>6,117,315</b>	<b>6,642,160</b>	<b>7,690,315</b>
<b>Note:</b>			
<b>Details of dues to micro and small enterprises as defined under the MSMED ACT, 2006</b> Based on information available with the Company, there are no suppliers who are registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2017			
<b>13 Other current liabilities</b>			
	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 1, 2016</b>
Advance Against Share Capital	1,078,800	1,078,800	1,078,800
Advances against sales other liabilities	38,265,063	38,016,063	34,017,428
	2,640,272	2,117,132	6,785,619
	<b>41,984,135</b>	<b>41,211,995</b>	<b>41,881,847</b>
<b>14 Short term provisions</b>			
	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 1, 2016</b>
Liability for expenses	481,742	1,328,424	4,910,080
	<b>481,742</b>	<b>1,328,424</b>	<b>4,910,080</b>



**SRI VAJRA GRANITES LIMITED****Notes to financial statements**

(All amounts are in Indian rupees except as otherwise stated)

**15 Revenue from operations**

	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of products	1,016,899	7,172,965
Processing Charges	-	-
	<b>1,016,899</b>	<b>7,172,965</b>

**16 Other income**

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest on Deposits	-	800
Dividend Received	-	-
Other non operating income	147,706	8,922,285
	<b>147,706</b>	<b>8,923,085</b>

**17 Cost of Materials Consumed**

	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening Stock	332,173	332,173
Add: Purchases	-	-
Less: Closing stock	332,173	332,173
	<b>-</b>	<b>-</b>

**18 Change in Inventories of finished goods , work-in-progress and stock in trade**

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>i Opening Stock</b>		
a. Sawn slabs	9,519,071	24,207,232
b. Polished slabs/Tiles	113,218	133,690
	<b>9,632,289</b>	<b>24,340,922</b>
<b>ii Closing Stock</b>		
a. Sawn slabs	4,866,537	9,519,071
b. Polished slabs/Tiles	113,218	113,218
	<b>4,979,755</b>	<b>9,632,289</b>
	<b>4,652,534</b>	<b>14,708,633</b>

**19 Manufacturing expenditure**

	For the year ended March 31, 2018	For the year ended March 31, 2017
Fuel & Power Consumption	9,800	18,000
Stores & Spares Consumed	22,212	5,920,057
Repairs & Maintenance	-	-
	<u>32,012</u>	<u>5,938,057</u>

**20 Employee benefits expense**

	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, bonus and allowances	276,678	4,121,707
Bonus	10,796	14,676
Directors Remuneration	360,000	426,475
	<u>647,474</u>	<u>4,562,858</u>

**21 Finance costs**

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest on Working Capital & Finance Charges	931	296,627
Interest - Others	-	-
	<u>931</u>	<u>296,627</u>

**22 Depreciation expense**

	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation of tangible assets	2,106,288	2,119,033
Less: Transferred to capital work-in-progress		
	<u>2,106,288</u>	<u>2,119,033</u>

**23 Other expenses**

	For the year ended March 31, 2018	For the year ended March 31, 2017
Rental Charges	132,000	180,500
Rates and taxes	843	146,222
Insurance	390	872
Loss on sale of fixed assets	-	-
Auditor remuneration	150,000	198,950
Transport & freight	-	-
Business Promotion Expenses	-	-
Packing material consumed	-	110,000
Other selling & forwarding expenses	-	-
Foreign exchange fluctuations	-	2,274
GST/VAT/Sales Tax	155,124	387,561
ECGC Premium	-	15,188
Service tax expense	58,681	11,835
Postal expenses	132,567	219,327
Telephone Expenses	159	38,066
Travelling and conveyance	6,000	14,301
Advertisement Expenses	42,648	50,310
Bank charges	33,000	37,652
Sitting Fee	60,000	81,000
Vehicle Maintenance	-	96,281
License,documentation & filing fees	91,090	69,673
Consultancy and professional charges	220,190	167,201
Printing and stationery	90,600	6,925
Security Services	211,519	7,076
General Expenses	13,037	347,594
	<b>1,397,848</b>	<b>2,188,808</b>

**24 Expenditure incurred in foreign currency**

	For the year ended March 31, 2018	For the year ended March 31, 2017
a) CIF Value of Imported Capital Goods	NIL	NIL
b) CIF Value of Imported Cosumables and spares	NIL	NIL
c) CIF Value of Imported Raw Material	NIL	NIL
d) On Overseas Travel	NIL	NIL

**25 Foreign Exchange earnings**

	For the year ended March 31, 2018	For the year ended March 31, 2017
FOB Value of Exports in Rupees	NIL	3,915,152

26 Pursuant to Accounting Standard 22 (AS22) i.e Accounting for Taxes on Income Issued by the Institute of Chartered Accountants of India, the deferred tax assets(net) as on 31.03.2016 works out to Rs.352.29 lakhs and the deffered tax asstes (net) as on 31.03.2017 works out to Rs.396.61 lakhs. As a matter of prudence and as recommeded under IND AS-12,the same has not been currently recognised in the accounts.Similarly,the deffered tax assets (net) of Rs.293.68 as on 31st March,2018 has not been recognized in the statement profit and loss for the year ended 31st march 2018.

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

<b>Deferred Tax Assets / Liabilities</b>		
	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
Tax Impact of Unabsorbed depreciation as per I.T.Act .	46.22	52.00
Tax Impact of Unabsorbed Losses as per I.T.Act .	249.84	345.00
Tax Impact due to difference between tax depreciation and book depreciation	-2.38	<b>-2.39</b>
<b>EARNINGS PER SHARE</b>		
<b>BASIC AND DILUTED EARNINGS</b>		
Number of Equity Shares at the beginning of the year	7262200	7262200
Number of Equity Shares at the end of the year	7262200	7262200
Weighted average number of equity shares	7262200	7262200
Profit for the year (after tax, available for equity shareholders)	-7672482	-13,717,967.00
<b>BASIC AND DILUTED EARNINGS PER SHARE</b>	-	-

#### **CONTINGENT LIABILITIES AND COMMITMENTS**

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) ₹ Nil (Previous year ₹ Nil)

Other commitments ₹ Nil (Previous year ₹ Nil).

#### **29 FIRST-TIME ADOPTION OF IND AS:**

These are company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out herein have been applied in preparing the financial statements for the year ended 31st March, 2017, the comparative information presented in these financial statements for the year ended 31st March 2016 and in the preparation of an opening Ind AS balance sheet at 1st April, 2016 (the company's date of transition). In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2014 (as amended) and other relevant provisions of the Act previous GAAP).

Following notes explains the effect of transition from previous GAAP to Ind AS on the company's financial position, financial performance and cash flows.

#### **Carrying value of Property, Plant and Equipment:**

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all its property, plant and equipment as recognised in the financial statements as at the

date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. The company has elected to apply to measure all of its property, plant and equipment, and intangible assets at their previous GAAP carrying value.

SRI VAJRA GRANITES LIMITED

Notes to financial statements for the year ended March 31, 2018

(b) Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from Previous GAAP to Ind AS in

Reconciliation of equity:

	As at March 31, 2017	As at April 1, 2016
Other equity as per Previous GAAP	(102,557,792)	(88,839,825)
Adjustment as per IND AS	-	-
<b>Other equity as per IND AS</b>	<b>(102,557,792)</b>	<b>(88,839,825)</b>
Share Capital as per Previous GAAP	72,628,500	72,628,500
Adjustment as per IND AS	-	-
<b>Share Capital as per IND AS</b>	<b>72,628,500</b>	<b>72,628,500</b>
<b>Total Equity as per IND AS</b>	<b>(29,929,292)</b>	<b>(16,211,325)</b>

Reconciliation of Balance Sheet

PARTICULARS	Notes	As at March 31, 2017			As at April 1, 2016		
		Previous GAAP	Ind AS adjustments	Ind AS	Previous GAAP	Ind AS adjustments	Ind AS
<b>I. ASSETS</b>							
<b>1. Non-Current Assets</b>							
Property, plant and equipment	3	19,045,231	-	19,045,231	21,404,479		21,404,479
Financial assets							
- Investments							
- Trade Receivables							
- Long-term loans and advances	4	38,092		38,092	96,975		96,975
- Others		-		-	-		-
Deferred tax assets (Net)							
Other non-current assets		-		-	-		-
<b>Total Non-Current Assets</b>		<b>19,083,323</b>	<b>-</b>	<b>19,083,323</b>	<b>21,501,454</b>	<b>-</b>	<b>21,501,454</b>
<b>2. Current Assets</b>							
<b>a) Inventories</b>	5	12,409,787		12,409,787	32,966,370		32,966,370
<b>b) Financial Assets</b>							
- Current investments							
- Trade and other receivables	6	10,187,660		10,187,660	14,476,486		14,476,486
- Cash and cash equivalents	7	19,436		19,436	622,190		622,190
- Bank Balances other than above							
- Short term loans and advances	4	3,823,999		3,823,999	4,728,743		4,728,743
		<b>26,440,882</b>	<b>-</b>	<b>26,440,882</b>	<b>52,793,789</b>	<b>-</b>	<b>52,793,789</b>
		<b>45,524,205</b>	<b>-</b>	<b>45,524,205</b>	<b>74,295,243</b>	<b>-</b>	<b>74,295,243</b>
<b>I. EQUITY AND LIABILITIES</b>							
<b>1. EQUITY</b>							
a) Equity Share Capital	8	72,628,500		72,628,500	72,628,500		72,628,500
b) Other Equity	9	(102,557,792)		(102,557,792)	(88,839,825)		(88,839,825)
<b>Total Equity</b>		<b>(29,929,292)</b>	<b>-</b>	<b>(29,929,292)</b>	<b>(16,211,325)</b>	<b>-</b>	<b>(16,211,325)</b>
<b>2. LIABILITIES</b>							
Financial liabilities							
Long term provisions	10	1,227,094		1,227,094	4,002,498		4,002,498
Deferred tax liabilities (Net)		-		-	-		-
Other non-current liabilities							
		<b>1,227,094</b>	<b>-</b>	<b>1,227,094</b>	<b>4,002,498</b>	<b>-</b>	<b>4,002,498</b>
<b>Current liabilities</b>							
<b>Financial Liabilities</b>							
- Short term borrowings	11	25,043,824		25,043,824	32,021,828		32,021,828
- Trade and other payables	12	6,642,160		6,642,160	7,690,315		7,690,315
- Other financial liabilities							
Other current liabilities	13	41,211,995		41,211,995	41,881,847		41,881,847
Short-term provisions	14	1,328,424		1,328,424	4,910,080		4,910,080
Liabilities for current tax (net)							
		<b>74,226,403</b>	<b>-</b>	<b>74,226,403</b>	<b>86,504,070</b>	<b>-</b>	<b>86,504,070</b>
		<b>45,524,205</b>	<b>-</b>	<b>45,524,205</b>	<b>74,295,243</b>	<b>-</b>	<b>74,295,243</b>

**Reconciliation of Statement of Profit and Loss for the year ended March 31, 2017**

	Notes	Previous GAAP	Ind AS adjustments	Ind AS
<b>INCOME</b>				
Revenue from operations	15	7,172,965	-	7,172,965
Other income	16	8,923,085	-	8,923,085
<b>Total Income</b>		<b>16,096,050</b>	<b>-</b>	<b>16,096,050</b>
<b>EXPENSES</b>				
Cost of Materials Consumed				
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		14,708,633	-	14,708,633
Manufacturing expenditure	19	5,938,057	-	5,938,057
Employee benefits expense	20	4,562,858	-	4,562,858
Finance costs	21	296,627		296,627
Depreciation	22	2,119,033		2,119,033
Other expenses	23	2,188,809		2,188,809
<b>Total Expenses</b>		<b>29,814,017</b>	<b>-</b>	<b>29,814,017</b>
Profit before exceptional items and tax		(13,717,967)		(13,717,967)
<b>Exceptional items</b>		<b>-</b>	<b>-</b>	
<b>Profit before tax</b>		<b>(13,717,967)</b>		<b>(13,717,967)</b>
<b>Tax expense:</b>				
(1) Current tax		-	-	-
(2) Deferred tax		-	-	-
<b>Net Profit for the Period</b>		<b>(13,717,967)</b>	<b>-</b>	<b>(13,717,967)</b>
<b>Other Comprehensive Income</b>				
- Items that will not be reclassified to profit or loss		-	-	-
- Income tax relating to items that will not be reclassified to profit or loss		-	-	-
- Items that will be reclassified to profit or loss		-	-	-
- Income tax relating to items that will be reclassified to profit or loss		-	-	-
<b>Total comprehensive income for the period</b>		<b>(13,717,967)</b>	<b>-</b>	<b>(13,717,967)</b>

30 Previous year's figures have been regrouped, re-classified and re-cast wherever necessary so as to make them correspondent with the current year's Figures and are rounded off to the nearest rupee.

31 "As there is neither more than one business segment nor more than one geographical segment, segment information is not required to be disclosed."

32 The financial statements of the previous year were audited by a firm of chartered accountants other than Suresh Gupta.Y & Co

As per our report of even date attached  
**For Suresh Gupta.Y & Co**  
 Chartered Accountants  
 FR No 009012S

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

Sd/-  
**SURESH GUPTA Y**  
 Proprietor  
 Membership No.209738

Sd/-,  
**A. Leela**  
 Managing Director

Sd/-  
**Chennolla Saya Reddy**  
 Chairman

Place: Hyderabad  
 Date: 29.05.2018

Sd/-  
**T.Chandra Shekar Reddy**  
 Chief Financial Officer

**SRI VAJRA GRANITES LIMITED**

**CIN: L14102TG1989PLC009590**

Survey No. 225, Baswapoor Village - - 503 101, Bhiknoor (M), Kamareddy Dist.

Email id: srivajragranites@gmail.com Website: www.srivajragranites.com

Tel: +91 9849996437

**ATTENDANCE SLIP  
29TH ANNUAL GENERAL MEETING  
Monday, 12th November, 2018 at 11:30 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 29th Annual General Meeting of the Company at Survey No. 225, Baswapoor Village - - 503 101, Bhiknoor (M), Kamareddy Dist.

*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****CIN: L14102TG1989PLC009590**

Survey No. 225, Baswapoor Village - - 503 101, Bhiknoor (M), Kamareddy Dist.

Email id: srivajragranites@gmail.com Website: www.srivajragranites.com

Tel: +91 9849996437

**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]*

<b>Name of the Member(s)</b>	
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 29th Annual General Meeting of members of the Company, to be held on **Monday, 12th November, 2018 at 11:30 A.M.** at Survey No. 225, Baswapoor Village - - 503 101, Bhiknoor (M), Kamareddy Dist. 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 31 <sup>st</sup> March, 2018	
2	Re-appointment of Mr. A Srinivas Reddy as Director	
3	Consideration and fixation of Auditors' remuneration for financial year 2018-19.	

Signed this \_\_\_\_\_ day of November, 2018.

Signature of shareholder

Signature of Proxy holder(s)

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. For the resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annual General Meeting.

Affix Rs. 1/- Revenue Stamp
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## BOOK POST



If undelivered please return to :

**Sri Vajra Granites Limited**

Survey No. 225,

Baswapoor Village - - 503 101,

Bhiknoor (M), Kamareddy Dist.