

La MANSION GRANITES LIMITED

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COMPANY INFORMATION

BOARD OF DIRECTORS

SRI P.JANARDHAN REDDY	CHAIRMAN & MANAGING DIRECTOR
SMT S.N.LAKSHMI	DIRECTOR
SRI A.SATYANARAYANA	INDEPENDENT DIRECTOR
SRI Y MALLIKHARJUNA RAO	INDEPENDENT DIRECTOR
SRI P.V.V. SUBRAMANYAM	INDEPENDENT DIRECTOR

AUDITORS : **P.S. Nagaraju & Co**
Chartered Accountants
6-3-596/65, 2nd Floor, Aadarsh Villa,
Naveen Nagar, Khairathabad,
Hyderabad-500004

REGISTERED OFFICE : F-403 7-1-297 Babu Mansion Apartments
Balkampet SR Nagar, Hyderabad -38

LISTED AT : **The Bombay Stock Exchange Limited**

La MANSION GRANITES LIMITED

NOTICE

Notice is hereby given that the Twenty First Annual General Meeting of the members of the Company will be held on Friday 30th September, 2011 at 10.30 A.M at the Registered office of the Company at F-403 7-1-297 Babu Mansion Apartments , Balkampet SR Nagar, Hyderabad – 500038 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2011 and the Profit and Loss Account for the financial year ended on that date along with the Report of Directors and the Auditors thereon.
2. To appoint Director in the place of Smt. S N Lakshmi, who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint Director in the place of Sri P.V.V. Subramanyam, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s P.S. Nagaraju & Co, Chartered Accountants, Hyderabad, as Statutory Auditor of the Company to hold the office as such from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix the remuneration.

BY THE ORDER OF THE BOARD
La MANSION GRANITES LIMITED

Sd/-
P.JANARDHAN REDDY
CHAIRMAN & MANAGING DIRECTOR

Date : 02.09.2011
Place : Hyderabad

La MANSION GRANITES LIMITED

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND TO VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be received at the Company's Registered Office not less than 48 hours before the meeting.
2. The Register of Members and the Share Transfer Books will remain closed from 26th September, 2011 to 30th September, 2011 (both days inclusive).
3. Members / Proxies are requested to bring their copies of Annual Report with them for the Annual General Meeting and the attendance slip duly filled in for attending the Meeting. No copies of the Annual Report will be distributed at the meeting.
4. Members are requested to quote their Registered Folio No on all correspondence with the Company.
5. Members are requested to send all communication relating to shares to the Company's RTA, M/s Bigshare Services Pvt. Ltd. G-10 Left Wing Amrutha Ville Opp Yashoda Hospital Rajbhavan Road Somajiguda, Hyderabad – 500 082
6. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and has issued circular stating that service of notice/documents including annual report can be sent by e-mail to its members. We fully support the Ministry's green initiative. Accordingly, the members are requested to inform their e-mail addresses to RTA - M/s Bigshare Services Pvt. Ltd. G-10 Left Wing Amrutha Ville Opp Yashoda Hospital Rajbhavan Road Somajiguda, Hyderabad – 500 082
7. The information pursuant to Clause 49 of the Listing Agreement with respect to the details of the Directors seeking appointment / re-appointment in this Annual General Meeting :

La MANSION GRANITES LIMITED

ADDITIONAL INFORMATION

(Pursuant to Clause 49 IV (G) of the Listing Agreement)

S N LAKSHMI

Smt S N Lakshmi is the promoter director and daughter of Sri P Janardhan Reddy, Managing Director. She is a commerce graduate and has been associated with the Company since 30th June, 2005. She take care of Marketing and HR polices of the Company.

The Board considers the experience of Smt S N Lakshmi, as invaluable use for the Company.

Shareholding in the Company: 380,000 (4.87%) Equity Shares.

P.V.V. Subramanyam

Sri P.V.V. Subramanyam, aged about 39 years, R/o KPHB Colony, Hyderabad has completed Post Graduation in Economics and also Law Graduate. He has more than 10 years of experience in Legal Matters.

The vast knowledge and experience of Sri P.V.V. Subramanyam will add value to the Board.

He neither holds any directorship nor membership of any committee, other than that of the Company.

Shareholding in the Company: Nil

La MANSION GRANITES LIMITED

DIRECTORS' REPORT

To
The Members
La MANSION GRANITES LIMITED

Your Directors herewith present the TWENTY FIRST ANNUAL REPORT together with the Audited Accounts of the company for the financial year ended 31st March, 2011.

FINANCIAL HIGHLIGHTS:

The performance of the company for the financial year ended 31st March 2011 is
(Rupees In Lakhs)

PARTICULARS	Current Year 31.03.2011	Previous Year 31.03.2010
Gross Revenue	37.33	0.00
Total Expenditure	34.53	0.05
Profit/Loss before Financial Charges, Depreciation and Taxation	2.79	-0.05
Less : Financial Charges	0.00	0.00
Depreciation	0.00	0.00
Profit/(Loss) before Tax (PBT)	2.79	-0.05
Less : (Income Tax)	0.00	0.00
Add: Provision for Deferred Tax Liability / (Asset)	0.00	0.00
Profit/(Loss) after Tax	2.79	-0.05
Add : Balance brought forward from previous year	-770.38	-770.33
Balance carried to Balance Sheet	-767.58	-770.38

FUTURE OUTLOOK:

The management is exploring possibilities to re-structure the company in the larger interest of all the stake holders.

DIVIDEND:

Your Directors do not recommend any dividend for the financial year 2010-2011, in view of the accumulated losses.

La MANSION GRANITES LIMITED

FIXED DEPOSITS:

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

DIRECTORS:

Sri P.V.V. Subramanyam and Smr S N Lakshmi directors retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

AUDITORS:

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

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

PARTICULARS OF EMPLOYEES:

There are no employees whose particulars are required to be furnished under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of employees) Rules, 1975, and as amended from time to time as remuneration of none of the employees is in excess of Rs.5,00,000/- per month, if employed for the part of year or Rs.60,00,000/- per annum during the financial year 2010-11 .

DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors of your Company hereby report:

- (i) that in the preparation of Annual Accounts for the financial year ended 31st March, 2011, the applicable Accounting Standards have been followed along with the proper explanation relating to material departures, if any, there from;
- (ii) that the directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period:
- (iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities
- (iv) that the directors have prepared the annual accounts on a going concern basis.

La MANSION GRANITES LIMITED

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

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Your Company is into the business of processing Granite Slabs and Tiles. The products have a very restrictive export market, which is confined to some countries only, coupled with that the demand for granites is heading south globally. The competition in the International market has also increased to an alarming proportion.

The business of the Company require huge working capital, which is also no more available from the bankers.

All these problems have struck down any chances of revival of the Company. However, the management of the Company is exploring the various possibilities of restructuring / reviving the Company in the best interest of the shareholders.

CORPORATE GOVERNANCE:

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

LISTING:

Your Company's shares are presently listed on the Bombay Stock Exchange Limited and it has paid the listing fees for the FY 2011 -12.

ACKNOWLEDGEMENTS:

The Board of Directors would like to place on record its appreciation towards all the employees & the managerial personnel of the company for their contribution, efforts and support rendered by them during the lean phase of the company. The Directors would also like to record their sincere thanks to the Company's bankers, Central and State Government officials and the shareholders for their continued support and co-operation.

For and on behalf of the Board of Directors
La MANSION GRANITES LIMITED

Date : 02.09.2011
Place : Hyderabad

Sd/-
P. Janardhan Reddy
CHAIRMAN & MANAGING DIRECTOR

La MANSION GRANITES LIMITED

Annexure – A

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

A. CONSERVATION OF ENERGY :

- i. The company is very careful in using power.
- ii. The Company has not made any additional investments and has not proposed any amount for reduction of consumption of energy.
- iii. There is no impact of the measures at (i) and (ii) above for reduction of energy consumption and consequent impact on the cost of production of goods.
- iv. Disclosure under Form A is not applicable to the Company.

B. TECHNOLOGY ABSORPTION :

FORM B

(Disclosure of particulars with respect to technology Absorption)

i) Research and Development (R & D) :

Specific areas in which R & D carried out by the Company	: NIL
Benefits derived as a result of the above	: NIL
Future plan of action	: NIL
Expenditure on R & D	: NIL

ii) Technology absorption, adaptation and innovation : NIL

C) FOREIGN EXCHANGE EARNINGS AND OUTGO :

Foreign Exchange earnings and outgo: Nil
(on receipts and payments basis)

For and on behalf of the Board of Directors
La MANSION GRANITES LIMITED

Sd/-

Date : 02.09.2011
Place : Hyderabad

P. Janardhan Reddy
CHAIRMAN & MANAGING DIRECTOR

La MANSION GRANITES LIMITED

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

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

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

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

2. BOARD OF DIRECTORS

During the Financial year ended 31st March, 2011, Board of Directors met 6 times as mentioned below and gap between two Board meetings did not exceed four months. None of the Directors on the Board is a member in more than 10 committees and none of them act as Chairman of more than five committees across all companies in which he is a Director.

30.04.2010 30.07.2010 09.08.2010 30.09.2010 31.01.2011 31.03.2011

The attendance at the Board Meetings conducted during the 12 months period ended 31st March, 2011 and at the Annual General Meeting as also the number of Directorships and committee memberships (other than La Mansion Granites Limited) are given below:

La MANSION GRANITES LIMITED

Name of Director	Category	Designation	No. of Board Meetings Attended	Attendance at previous AGM	No. of Chairmanship/ Memberships in other companies (excluding private limited Companies)		
					Boards	Chairman ships	Comm- ittees
P Janardhan Reddy	Promoter & Executive	Chairman & Managing Director	6	Yes	--	--	--
S N Lakshmi	Promoter & Non-Executive	Director	6	Yes	--	--	--
A Satyanarayana	Non-Executive Independent	Director	5	Yes	--	--	--
P.V.V. Subramanyam (Appointed w.e.f 29.10.2009.)	Non-Executive, Independent	Director	5	No	--	--	--
Y Mallikharjuna Rao (Appointed w.e.f 29.10.2009.)	Non-Executive, Independent	Director	6	No	2	6	6

3. AUDIT COMMITTEE

The Audit Committee comprises of 3 Independent Directors. It provides assistance to the Board of Directors in fulfilling its oversight responsibilities. The Audit committee has been entrusted with the responsibilities as laid down under Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement, to the extent applicable and required.

Composition:

1. A Satyanarayana - Chairman
2. Y. Mallikharjuna Rao - Member
3. P.V.V. Subramanyam - Member

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

- a. To review the results and announcement and the report and accounts at the end of a quarter, half year and the full year before submission to the board, focusing particularly on:
 - (i) Any changes in accounting policies and practices.
 - (ii) Compliance with accepted accounting standards.
 - (iii) Compliance with the Listing and other Legal requirements
 - (iv) Major Judgmental Decisions; etc.

La MANSION GRANITES LIMITED

- b. To consider appointment of Statutory Auditors, the Audit Fee, and any matter of resignation and dismissal.
- c. To discuss with the statutory Auditor, before the audit commences, the nature and scope of the Audit.
- d. To discuss problems and reservations arising from the statutory audit, and any matters the statutory auditor may wish to discuss.
- e. To consider other matters as may be delegated by the Board from time to time.

Powers of Audit Committee:

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

Meetings during the year :

During the Financial year ended 31st March, 2011, the Audit Committee met 5 times as follows, and all the members were present in each of such meetings.

30.04.2010 30.07.2010 09.08.2010 30.10.2010 31.01.2011

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

4. REMUNERATION COMMITTEE

Terms of Reference:

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

Composition

During the year remuneration committee was reconstituted with following directors :

1. Y. Mallikharjuna Rao - Chairman
2. A Satyanrayana - Member
3. P.V.V. Subramanyam - Member

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Remuneration paid to Directors during the Financial year 2010 -2011 :

Executive Directors : NIL

Non - Executive Directors : NIL

No meeting of the remuneration committee was held during the financial year 2010-2011 since there was no remuneration paid to any director.

Shareholding of Non-Executive Director:

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

5. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

Brief description of terms of reference:

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

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

Composition

The committee consists of the following directors :

Shri P.V.V. Subramanyam	-	Chairman
Shri P Janardhan Reddy	-	Member
Shri A Satyanarayna	-	Member

Shri P Janardhan Reddy , Chairman and Managing Director of the Company is the Compliance Officer of the Company.

There are no outstanding complaints as on 31st March 2011.

6. SHARE TRANSFER COMMITTEE

The process of share transfers is carried in house. The Share transfer committee meets fortnightly every month to approve transfer of shares, if any.

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Composition

Shri P Janardhan Reddy	-	Chairman
Shri P.V.V. Subramanyam	-	Member
Shri. Y. Mallikharjuna Rao	-	Member

7. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

A Report of the Management Discussion and Analysis is given in the Directors Report.

8. GENERAL BODY MEETINGS:

Venue and time where the last three AGMs held:

Year	AGM	Venue	Day & Date	Time
2008	18th	ICWAI Bhavan, near Dena Bank, Sanath Nagar, Industrial Estate, Hyderabad – 500 038	Tuesday, 30th September, 2008	11:30 A.M.
2009	19th	A-2 Poojitha's Sri Residency 8-2-269/29/S/B Road No.2 Banjara Hyderabad – 500 034	Wednesday, 30th September, 2009	11:30 A.M.
2010	20th	A-2 Poojitha's Sri Residency 8-2-269/29/S/B Road No.2 Banjara Hyderabad – 500 034	Thursday, 30th September, 2010	11:30 A.M.

Special Resolutions:

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

Postal ballot:

There were no items of business transacted by way of Postal Ballot during the financial year 2010-2011.

There is no Special Resolution proposed to be passed by way of Postal in the AGM.

La MANSION GRANITES LIMITED

1. DISCLOSURES :

- a) Related Party Transaction (Shown in Notes to Accounts)

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

- b) Details on non-compliance by the company, penalties and strictures imposed on the company by stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: None

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

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

As regards non-mandatory requirements, a Remuneration Committee has been formed to evaluate remuneration packages for directors and senior staff members.

La MANSION GRANITES LIMITED

CEO & CFO Certification

To
The Board Of Directors
La Mansion Granites Limited.

We P. Janardhan Reddy, Chairman & Managing Director & S N Lakshmi, Director, to the best of our knowledge and belief, certify that:

1. We have reviewed financial statements and the cash flow statement for the FY 10 – 11 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, no transactions were entered into by the company during the year under review, which are fraudulent, illegal or violative of the company's code of conduct.
3. We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting.
4. There are no deficiencies in the design or operation of internal controls.
5. We have disclosed to the Company's Statutory Auditors and to the Audit committee of the Board that:
 - (i) There were no significant changes in internal control over financial reporting during the year under review.
 - (ii) There were no significant changes in accounting policies during the year.
 - (iii) There were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Date : 02-09.2011
Place : Hyderabad

Sd/-
P Janardhan Reddy
Chairman & Managing Director

Sd/-
S N Lakshmi
Director

La MANSION GRANITES LIMITED

9.GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting :

Day, Date and time : 30th September, 2011 (Friday) at 11.30 a.m.

Venue : F-403 7-1-297 Babu Mansion Apartments
Balkampet SR Nagar, Hyderabad-500038

Book Closure Date : 26th September 2011 to 30th September, 2011
(both days inclusive)

Dividend : No dividend is recommended for the year.

Listing on Stock Exchanges : The shares of the company are listed on :
Bombay Stock Exchange Limited

Stock Code : BSE - 515099

Market Price Data : **No Shares were traded on any of the exchange
during the Year 2010-2011**

Share Transfer System :

The transfer of shares in physical form is registered in-house, and the share certificates are duly transferred and dispatched to the shareholder within a maximum period of 30 days from the date of receipt, subject to the documents being valid and complete in all respects. All share transfers are approved by the Share Transfer Committee, which meets every fortnight.

Issue of Equity Shares : Nil

La MANSION GRANITES LIMITED

Shareholding Pattern as on 31st March, 2011 :

	Category	No. of shares held	Percentage of Shareholding
A	Shareholding of Promoter and Promoter Group		
1.	Promoters & Persons Acting in concert	2070000	26.55
	Sub-Total	2070000	26.55
B.	Public Shareholding		
1.	Institutions	1000000	12.83
2.	Non Institutions	-	-
	a. Bodies Corporate	15,600	0.20
	b. Indian Public	4710400	60.42
	Sub-Total	5726000	73.45
	GRAND TOTAL	7796000	100.00

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

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

Secretarial Audit:

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

Address for correspondence :

Registered Office : F-403 7-1-297 Babu Mansion Apartments
Balkampet SR Nagar, Hyderabad -500038

Nomination Facility :

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

Code of Conduct for the Board & Senior Management Personnel:

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

La MANSION GRANITES LIMITED

DECLARATION OF COMPLIANCE OF CODE OF CONDUCT

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

I hereby certify that the Board of Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year 2010-11.

Sd/-

P Janardhan Reddy

Chairman & Managing Director

Place: Hyderabad

Date : 02.09.2011

La MANSION GRANITES LIMITED

CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members,
LA MANSION GRANITES LIMITED
Bangalore

We have examined the compliance of conditions of corporate governance by LA MANSION GRANITES LIMITED for the year ended 31st March, 2011, as stipulated in clause 49 of the Listing Agreement of the Company with Stock Exchanges.

The compliance of the conditions of the corporate governance is the responsibility of the Management. Our examinations was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor expression of the opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate Governance as stipulated in the above mentioned listing agreement.

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

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

For P S Nagaraju & Co.,
Chartered Accountants
(Firm Reg No.011447S)

Sd/-
CA P S Nagaraju
Partner
M.No.210268

Place: Hyderabad
Date : 02-09-2011

La MANSION GRANITES LIMITED

AUDITORS' REPORT

To,
The Members of
LA MANSION GRANITES LIMITED

We have audited the attached Balance sheet of LA MANSION GRANITES LIMITED as at 31st March 2011 and also the Profit & Loss account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Companies (Auditor's Report) Order, 2004 issued by the Central Government of India, in terms of section 227 (4A) of the Companies Act, 1956, We enclose in the Annexure - A a statement on the matters specified in paragraph 4 & 5 of the said order.
2. Further to our comments in the Annexure - A referred to in paragraph 2 above, we report that: -
 - a. We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our Audit and found them to be satisfactory.
 - b. In our opinion, the Company has kept proper books of accounts as required by Law so far as appears from our examination of such books.
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.

La MANSION GRANITES LIMITED

- d. In our Opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this Report comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.
 - e. On the basis of written representations received from all the Directors of the Company as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the Directors of the company are disqualified from being appointed as Directors of the Company under clause (g) of sub-section (1) of section 274 of Companies Act, 1956.
3. In our opinion and to the best of our information & according to the explanation given to us, the said accounts read with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true & fair view :
- a. In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2011
 - b. In the Case of the Profit & Loss Account, of the Loss for the year ended on that date: and
 - c. In the case of Cash Flow Statement, of the cash Flows for the year ended on that date.

For P S Nagaraju &Co.,
Chartered Accountants
(Firm Reg.No.011447S)

Place : Hyderabad
Date : 02-09-2011

Sd/-
CA P S Nagaraju
Partner
Membership No.210268

La MANSION GRANITES LIMITED

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to paragraph 2 of our report to the members of La Mansion Granites Limited ("the Company") for the year ended March 31st 2011 we report that:

1. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
2. As explained to us, all the Fixed Assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
3. The inventories have been physically verified by management reasonable intervals during the year.
4. In our opinion, 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.
5. The Company is maintaining proper records of inventory. The discrepancies noticed during the physical verification of inventory as compared to the books of record were not material and have been properly dealt with in the books of accounts.
6. The Company has not granted or taken loan secured/ unsecured to/ from Companies, Firms or parties covered in the registrar maintained under Section 301 of the Companies Act, 1956. Accordingly, clause 4 (iii) of the Companies (Auditors' Report) Order, 2003 is not applicable to the Company.
7. In our opinion and according to the information and explanations given to us, there is an internal control commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. During the financial year, the Company did not undertake any activity of sale of services. During the course of our audit, we were not observed any major weaknesses in the internal control system.
8. According to the information and explanations given to us, there are no contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered in the register required to be maintained under section.
9. The company has not accepted any deposits from the public during the year. Therefore, the provisions of clause (vi) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
10. In our opinion the Company does not has an internal audit system commensurate with the size and nature of its business.

La MANSION GRANITES LIMITED

11. According to the information and explanations given to us, the Central Government has not prescribed maintenance of Cost records under Section 209(i)(d) of the Companies Act, 1956. Accordingly clause 4(viii) of the order is not applicable.
12. According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other material statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2011 for a period of more than six months from the date they became payable;
13. According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Custom Duty, wealth Tax, Service Tax and Excise Duty which have not been deposited on account of any dispute.
14. The company has accumulated losses exceeding 50% of its net worth. The company has incurred cash losses during the financial year covered by our audit and cash losses immediately preceding financial year.
15. Based on our audit procedures and on the information and explanations given by the management, no loans were taken by the Company during the year under the audit.
16. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
17. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/mutual benefits fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
18. According to the information and explanations given to us, the Company is not dealing in or trading in Shares, Securities, debentures and other investment.
19. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institution.
20. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, there are no funds raised on short-term basis during the year under audit and hence the question of using the same for long-term investment does not arise.
21. According to the information and explanation given to us, the Company has not issued any debentures during the year under audit.

La MANSION GRANITES LIMITED

22. The Company has not raised any money by public issue of shares during the year.
23. The Company has not raised any money by way of term loans.
24. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For P S Nagaraju &Co.,
Chartered Accountants
(Firm Reg.No.011447S)

Place : Hyderabad
Date : 02-09-2011

Sd/-
CA P S Nagaraju
Partner
Membership No.210268

La MANSION GRANITES LIMITED

BALANCE SHEET AS AT 31-03-2011			(Amount in Rupees)
Particulars	Sch No	As at 31-03-11	As at 31-03-10
I. SOURCES OF FUNDS:			
<u>Share Holders' Funds:</u>			
Share Capital	1	77,960,000	77,960,000
Reserves & Surplus	2	4,983,272	4,983,272
Secured Loans		0	0
Unsecured Loans		0	0
TOTAL		<u>82,943,272</u>	<u>82,943,272</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Net Block		0	0
Investments		0	0
Current Assets			
Inventories	3	6,229,250	6,229,250
Cash & Bank Balances	4	12,327.43	12,327.43
Loans & Advances	5	421,347	53,056
		<u>6,662,924</u>	<u>6,294,633.43</u>
Less: Current Liabilities & Provisions	6	477,985	389,485
Net Current Assets		6,184,939	5,905,148.43
Misc Expenditure		0	0
PROFIT & LOSS ACCOUNT 7		76,758,333	77,038,123
TOTAL		<u>82,943,272</u>	<u>82,943,272</u>
Significant Accounting Policies & Notes to accounts			
(Schedules 1 to 11 form part of Accounts)		For and on behalf of the board	
As per our Report of Even date attached		Sd/-	
For P S Nagaraju &Co.,		P. JANARDHAN REDDY	
Chartered Accountants		Chairman & Managing Director	
(Firm Reg.No.011447S)			
Sd/-		Sd/-	
CAP S Nagaraju		S. N. LAKSHM	
Partner		Director	
Membership No.210268			
Place : Hyderabad			
Date : 02-09-2011			

La MANSION GRANITES LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31.03.2011

Particulars	Sch No	As on 31-03-11	As on 31-03-10
I. INCOME			
Sale of Granite Slabs / Tiles (Net of Taxes)		3,733,020	0
TOTAL		3,733,020	0
II. EXPENDITURE			
Manufacturing and Other Expenses	8	3,276,000	0
Increase / Decrease in Stocks	9	0	0
Administrative & Selling Expenses	10	177,230	5,187
Depreciation		0	0
		3,453,230	5,187
Profit / -(loss) for the year		279,790.00	-5,187.00
Provision for Income Tax		0.00	0.00
Profit / (Loss) after Tax		279,790.00	-5,187.00
Brought forward Losses		-77,038,123.00	-77,032,936.00
Loss Carried to Balance Sheet		-76,758,333.00	-77,038,123.00
Basic and Diluted EPS (Face Value of Rs.10/- each)		-	-1.54
Significant Accounting Policies & Notes to Accounts	11		

(Schedules 1 to 11 form part of Accounts)
As per our Report of Even date attached

For P S Nagaraju &Co.,

Chartered Accountants
(Firm Reg.No.011447S)

Sd/-

CA P S Nagaraju

Partner

Membership No.210268

Place : Hyderabad

Date : 02-09-2011

For and on behalf of the board

Sd/-

P. JANARDHAN REDDY

Chairman & Managing Director

Sd/-

S. N. LAKSHM

Director

La MANSION GRANITES LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

Particulars	As on 31-03-2011	As on 31-03-2010
SCHEDULE 1 - SHARE CAPITAL		
Authorised		
1,00,00,000 Equity Shares of Rs. 10 /-Each	100,000,000	100,000,000
Issued, Subscribed and Paid up; 77,96,000 Equity Shares of Rs.10/- each fully paid up	77,960,000	77,960,000
	77,960,000	77,960,000
SCHEDULE 2 - RESERVES & SURPLUS		
Capital Reserve	4,983,272	4,983,272
	4,983,272	4,983,272
SCHEDULE 3 - INVENTORIES		
(As verified, valued and Certified by the Management)		
Granite Raw Blocks	279,902	279,902
Work in Progress - Granite Slabs	91,806	91,806
Finished Goods - Granite Slabs	5,857,542	5,857,542
	6,229,250	6,229,250
SCHEDULE 4 - CASH AND BANK BALANCES		
Cash in hand	17.50	17.50
Balance in Current Account with Scheduled Bank	12,309.93	12,309.93
	12,327.43	12,327.43
SCHEDULE 5 - LOANS AND ADVANCES		
(Unsecured, and Considered Good)		
Advances for Expenses	0	0
Advances Recoverable in Cash or in Kind or for value to be received	421,301	53,010
Customs and Excise Deposits	46	46
	421,347	53,056

La MANSION GRANITES LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

Particulars	As on 31-03-2011	As on 31-03-2010
SCHEDULE 6		
CURRENT LIABILITIES AND PROVISIONS		
Sundry Creditors for Purchases	404,485.00	384,485.00
Sundry Creditors for Expenses	73,500.00	5,000.00
TOTAL	477,985.00	389,485.00
SCHEDULE 7		
PROFIT AND LOSS ACCOUNT		
Balance brought forward from P & L A/c	(77,038,123.00)	(77,038,123.00)
Less : Profit after tax	279,790	0.00
	(76,758,333)	(77,038,123.00)

La MANSION GRANITES LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

Particulars	As on 31-03-2011	As on 31-03-2010
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SCHEDULE 8 MANUFACTURING AND OTHER EXPENSES

Purchase of Material	3,039,300.00	0.00
Power and Fuel	0.00	0.00
Salaries and wages	127,710.00	0.00
Other Expenses	108,990.00	0.00
TOTAL	3,276,000.00	0.00

SCHEDULE 9 - INCREASE / DECREASE IN STOCKS

Opening Stock - A		
- Raw Blocks	279,902.00	279,902.00
-Work-in-Progress	91,806.00	91,806.00
-Finished Goods	5,857,542.00	5,857,542.00
-Consumables	0.00	0.00
TOTAL	6,229,250.00	6,229,250.00

Closing Stock - B		
- Raw Blocks	279,902.00	279,902.00
-Work-in-Progress	91,806.00	91,806.00
-Finished Goods	5,857,542.00	5,857,542.00
-Consumables	0.00	0.00
TOTAL	6,229,250.00	6,229,250.00

(INCREASE)/DECREASE)A-B	0.00	0.00
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SCHEDULE 10 ADMINISTRATIVE & SELLING EXPENSES

Administrative expenses	117,230.00	187.24
Sundry Balances Written Off	0.00	0.00
Remuneration to Auditors	60,000.00	5,000.00
TOTAL	177,230.00	5,187.24

La MANSION GRANITES LIMITED

SCHEDULE – 11

A. SIGNIFICANT ACCOUNTING POLICIES

- 1 The Financial Statements have been prepared on the basis of going concern, under the historical cost convention on the accrual basis, to comply in all material aspects with applicable accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 1956.

2. Income & Expenditure:

All items of income and expenditure shown in the statement having material bearing on the accounts are accounted on accrual basis.

3. Fixed Assets:

Fixed Assets are carried at cost less accumulated depreciation.

4. Depreciation:

Depreciation on Fixed Assets is provided on written down method as per schedule XIV of the Companies Act, 1956.

5. Inventories:

Raw Granite Blocks are valued at cost or net realizable value whichever is less. Finished goods are valued at lower of cost or net realizable value. Since the Company is an 100% EOU, Central Excise duty is not chargeable on finished goods. Accordingly, Central Excise Duty Component is not included in the valuation of Closing Stock of Granite Polished Slabs.

Work-in-progress is valued at lower of Cost or Net realizable value. Stores, Spares and Consumables are valued at cost.

6. Foreign Currency Transactions:

Transactions in foreign currency are recorded at the rates of foreign exchange prevailing on the date of transactions.

La MANSION GRANITES LIMITED

B. Notes to Accounts:

- 1 There is no liability payable by the Company to any Small Scale Industrial Undertaking (SSI) as defined under the Industrial (Development and Regulation) Act, 1951, exceeding Rs.1 lakh in aggregate and outstanding for a period of 30 days as at the date of the Balance Sheet.
- 2 The balances of Sundry Debtors, Loans and Advances are subject to confirmation.
- 3 There are no Contingent Liabilities payable by the Company as on the date of the Balance Sheet.
- 4 Remuneration to Auditors for FY 2010-2011 is Rs.60,000.00.
- 5 There are no related party transactions during the current year.
- 6 The previous year's figures have been recast /restated, whenever necessary to confirm to the current year's classifications.

(Schedules 1 to 11 form part of Accounts)
As per our Report of Even date attached
For P. S. NAGARAJU & CO.,
Chartered Accountants
Registration No: 011447S

Sd/-
CA P. S. NAGARAJU
Partner
M. No. 210268

Place : Hyderabad
Date : 02.09.2010

For and on behalf of the board
Sd/-
P. JANARDHAN REDDY
Chairman & Managing Director

Sd/-
S. N. LAKSHM
Director

La MANSION GRANITES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

Particulars	As on 31-03-2011	As on 31-03-2010
(A) CASH FLOW FROM OPEARTING ACTIVITIES		
Net profit/(Loss) before Tax and Extra ordinary Item	279790.00	(5187.24)
Add/(Less) Adjustment for :		
Depreciation	0.00	0.00
Interest Paid	0.00	0.00
Assets Written Off	0.00	0.00
Miscellaneous Expenditure Written Off	0.00	0.00
Excess provison written Back	0.00	0.00
Sundry Creditor Balances written Back	0.00	0.00
Intrest Receivable	0.00	0.00
Operating Profit Before Working Capital Changes	279790.00	(5187.24)
Adjustment for :		
(Increase) / Decrease in Trade & Receivables	(368290.00)	96,990.00
(Increase) / Decrease in Inventories	0.00	0.00
(Increase) / Decrease in Current Liabilities	88500.00	(91,990.00)
(Increase) / Decrease in Working Capital Finance	0.00	0.00
	<u>(279,790)</u>	<u>(5000)</u>
Cash generated from Operations	0.00	(187.24)
Interest on Working Capital	0.00	0.00
Cash Flow before Extra Ordinary Items	0.00	(187.24)
Extra Ordinary items	0.00	0.00
Net Cash flow from Operating Activities	0.00	(187.24)
Tax Paid	0.00	0.00
Net Cash from Operating Activities	0.00	(187.24)
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	0.00	0.00
Net Cash used in Investing Capital Activities	0.00	0.00
(C) CASH FLOW FROM FINANCING ACTIVITIES		
(Increase) / Decrease in Unsecured Loans	0.00	0.00
(Increase) / Decrease in Long Term Borrowings	0.00	0.00
Net Cash used in Financing Activities	0.00	0.00
(D) Net increase / (Decrease) in Cash & Cash equivalents (A+B+C)	0.00	(187.24)
Cash & Cash Equivalents as at (Opening Balance)	12,327.43	12,514.67
Cash & Cash Equivalents as at (Closing Balance)	12,327.43	12,327.43

For & on behalf of the Board of Director

Sd/-

Sd/-

Place : Hyderabad

P Janaradhan Reddy

S N Lakshmi

Date : 02.09.2011

Chairman & Managing Director

Director

AUDITORS CERTIFICATE

We have examined the above Cash Flow Statement of La Mansion Granites Limited, Hyderabad for the year ended 31st March, 2011. This statement has been prepared by the Company in accordance with the requirement of the Listing Agreement entered with the Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company for the year ended 31st March, 2011.

Place : Hyderabad

Date : 02.09.2011

For P S Nagaraju & Co.,
CHARTERED ACCOUNTANTS

Sd/-

CA P S Nagaraju

Partner

M.No.210268

La MANSION GRANITES LIMITED

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

I. Registration Details

Registration No: 11398 State Code: 01
Balance Sheet Date: 31.03.2011

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

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

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

TOTAL LIABILITIES 82943.27 TOTAL ASSETS 82943.27
Sources of Funds

Paid- Up Capital	77,960.00	Reserve & Surplus	4983.27
Secured Loans	0	Unsecured Loans	Nil
Deferred Tax	0		

Application of Funds:

Net Fixed Assets	-	Investments	-
Net Current Assets	6184.93	Misc. Expenditure	-
Accumulated Losses	76,758.33		

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

Turnover:	3722.02	Total Expenditure	3453.23
Profit/loss Before Tax	279.79	Profit/loss After Tax	279.79
Earning per share	0.035	Dividend (%)	Nil

E General Names of Three Principal services of Company

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

(Schedules 1 to 11 form part of Accounts)

As per our Report of Even date attached

For P. S. NAGARAJU & CO.,

Chartered Accountants

Registration No: 011447S

Sd/-

CA P. S. NAGARAJU

Partner

M. No. 210268

Place : Hyderabad

Date : 02.09.2011

For and on behalf of the board

Sd/-

P. JANARDHAN REDDY

Chairman & Managing Director

Sd/-

S. N. LAKSHM

Director

La MANSION GRANITES LIMITED

Regd Off : F-403 7-1-297 Babu Mansion Apartments Balkampet SR Nagar,
Hyderabad -38

PROXY FORM

Regd. Folio No. :

No. of Shares Held:

I/We
ofin the District of
.....being a member/members of the above
named company hereby appoint
of in the
District of as my/our
Proxy to attend and to vote for me/us on my/our behalf at the 21st Annual General Meeting
of the Company to be held on Friday, 30th September, 2011 at 11.30 A.M. at the registered
office of the Company at F-403 7-1-297 Babu Mansion Apartments, Balkampet SR Nagar,
Hyderabad -500038 and at any adjournment thereof.

Signed this day of Two Thousand Eleven

Affix Revenue Stamp

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



La MANSION GRANITES LIMITED

Regd Off : F-403 7-1-297 Babu Mansion Apartments Balkampet SR Nagar,
Hyderabad -38

ATTENDANCE SLIP

(Please present this slip at the Meeting Venue)
21st ANNUAL GENERAL MEETING – 30TH September, 2011

Regd. Folio No. :

No. of Shares Held:

I hereby record my presence at the 21st ANNUAL GENERAL MEETING of the members
of the Company held on Friday, 30th September, 2011 at 11.30 A.M. at the registered
office of the Company at F-403 7-1-297 Babu Mansion Apartments, Balkampet SR Nagar,
Hyderabad -500038

Name of the Shareholder:

Name of the Proxy:

Signature of Member / Proxy:

21th

Annual Report

2010 - 2011

**La MANSION
GRANITES LIMITED**

BOOK - POST

If Undelivered, please return to :
La MANSION GRANITES LIMITED
F-403 7-1-297 Babu Mansion
Apartments Balkampet SR Nagar,
Hyderabad -38