

**24th
Annual Report
2013 - 2014**

VERTICAL INDUSTRIES LIMITED
(formerly known as LA MANSION GRANITES LIMITED)

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VERTICAL INDUSTRIES LIMITED

(formerly known as LA MANSION GRANITES LIMITED)

COMPANY INFORMATION

BOARD OF DIRECTORS

SRI P.JANARDHAN REDDY	CHAIRMAN
SMT S.N.LAKSHMI	DIRECTOR
SRI A.SATYANAR AYANA	INDEPENDENT DIRECTOR
SRI Y MALLIKHARJUNA RAO	INDEPENDENT DIRECTOR
SRI P.V.V. SUBRAMANYAM	INDEPENDENT DIRECTOR

AUDITORS : P.S. Nagaraju & Co
Chartered Accountants
Plot No: 15, Sai Prabha, Arunodaya Colony,
Near Karnataka Bank (Madhapur Branch),
Silicon Valley Madhapur, Hyderabad - 500081,

CIN : L14102TG1990PLC011398

REGISTERED OFFICE : F-201, Krishna Kamala Residency, Besides
Satyasai Nigamagamam, Srinagar Colony,
Hyderabad - 500073

LISTED AT : The Bombay Stock Exchange Limited

**REGISTRARS &
SHARE TRANSFER AGENTS** : M/s. Venture Capital and Corporate Investment
Private Limited
12-10-167, Bharat Nagar, Hyderabad - 500018
Telephone No. 040-23818475 / 476,
Fax No. 040-23868024

VERTICAL INDUSTRIES LIMITED

(formerly known as LA MANSION GRANITES LIMITED)

NOTICE

Notice is hereby given that the **Twenty Fourth Annual General Meeting** of the members of the Company will be held on Wednesday 31st December, 2014 at 10.30 A.M at the Registered office of the Company at F-201, Krishna Kamala Residency, Besides Satyasai Nigamagamam, Srinagar Colony, Hyderabad - 500073 to transact the following items of Business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2014 and the Statement of Profit and Loss Account and cash flow statement 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 consider and if thought fit, to pass with or without modification(s) the following resolution as Ordinary Resolution.

RESOLVED THAT Pursuant to the provisions of Sections 139 of the Companies Act, 2013, ("Act") and other applicable provisions of the Act, if any and the Rules framed there under, as amended from time to time M/s P.S. Nagaraju & Co, Chartered Accountants, Hyderabad (ICAI Firm Registration No 0114477S) the retiring auditor be and is hereby re-appointed as the statutory Auditors of the company to hold the office for a period of 5 years from the conclusion of this AGM till the conclusion of 29th AGM subject to ratification of their appointment by the members at every Annual General Meeting, on such remuneration as may be fixed by the Board of Directors and mutually agreed by the Auditors."

SPECIAL BUSINESS:

4. Appointment of Sri A.Satyanarayana as an Independent Director of the Company

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

"RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Sri A.Satyanarayana (DIN 01880855) Independent Director and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act 2013 proposing his candidature for the office of Director of the Company be and is hereby appointed as Independent Director of the Company, whose period of office shall not be liable to retire by rotation, to hold office for five consecutive years with effect from 31st December 2014 upto 30th December 2019.

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5. Appointment of Sri Y Mallikharjuna Rao as an Independent Director of the Company

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

“RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Sri Y Mallikharjuna Rao (DIN 00905266) Independent Director and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act 2013 proposing his candidature for the office of Director of the Company be and is hereby appointed as Independent Director of the Company, whose period of office shall not be liable to retire by rotation, to hold office for five consecutive years with effect from 31st December 2014 upto 30th December 2019.

6. Appointment of Sri P.V.V. Subramanyam as an Independent Director of the Company.

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

“RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Sri P.V.V. Subramanyam (DIN 02831839) Independent Director and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act 2013 proposing his candidature for the office of Director of the Company be and is hereby appointed as Independent Director of the Company, whose period of office shall not be liable to retire by rotation, to hold office for five consecutive years with effect from 31st December 2014 upto 30th December 2019.

7. Borrowing Power to the Board

To consider and if thought fit, to pass with or without modification(s) the following resolution as a “Special Resolution”:

“RESOLVED that pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys from time to time, any sum or sums of money for the purposes of the Company upon such terms and conditions and with or without security as the Board of Directors may in its discretion think fit, notwithstanding, that the money or monies to be borrowed by the Company (apart from the Temporary loans obtained or to be obtained from time to time from the Company's Bankers in the ordinary course of business) together with the money already borrowed, may exceed the aggregate of the Paid-up share Capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose(s), provided however that the money or monies to be borrowed by the Company together with the money already borrowed shall not, at any time exceed Rs.25 Crores (Rupees Twenty Five Crores only)”.

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8. Authorization to the Board to create charge / mortgage assets of the company

To consider and if thought fit, to pass with or without modification(s) the following resolution as a "Special Resolution":

"RESOLVED THAT subject to the provisions of Section 180 (1)(a) and all other applicable provisions, if any, of the Companies Act, 2013, the consent of the company be and is hereby accorded to the Board of Directors of the company to mortgage / to create charge in such form and manner with such ranking and at such time and on such terms and conditions as the Board may determine, on any of the movable and immovable properties of the company, both present and future and / or the whole or any part of the undertakings of the company together with the power to take over the management of the business and concern of the company in sustained events of defaults, in favour of any Bank / Financial Institution, or any lender(s), trustee(s) for securing the borrowings of the company to be availed by way of loans / Working Capital limits / Bank Guarantee or any other form and other debt instruments issued by the company from time to time together with the interest at the respective agreed rates and in case of default all other applicable charges payable by the company, as specified in the trust deeds / agreement etc or any other document entered into between the company and the lender(s) and containing such terms and conditions and comments in respect of enforcement of security as may be stipulated in that behalf and agreed between the Board of Directors / Committee thereof and the lenders or their trustees."

BY THE ORDER OF THE BOARD

**Sd/-
P.JANARDHAN REDDY
CHAIRMAN**

Place: Hyderabad
Date: 03.12.2014

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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/HERSELF 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. A person cannot act as proxy for more than 50 members and holding in aggregate not more than 10% of the total share capital of the Company.
2. The Register of Members and the Share Transfer Books will be closed from 29th December, 2014 to 31st December, 2014 (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 or Demat Account No and Depository Participant Identification Number (DPID 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 Venture Capital and Corporate Investments Pvt. Ltd. 12-10-167, Bharat Nagar, Hyderabad-500018.
6. Consequent upon the introduction of Section 72 of the Companies Act, 2013, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their request in Form No. 2B in duplicate to the company.
7. 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 Venture Capital and Corporate Investments Pvt. Ltd. 12-10-167, Bharat Nagar, Hyderabad – 500018.
8. The information pursuant to Clause 49 of the Listing Agreement with respect to the details of the Directors seeking appointment / re-appointment in this Annual General Meeting is annexed.
9. All the documents referred to in the Notice and explanatory statement will be available to the members at the Registered of the company between 10.30 A.M to 12.30 P.M on all working days from the date hereof up to the date of the Meeting.
10. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, Which sets out details relating to Special Business at the meeting, is annexed hereto
11. 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 :

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ADDITIONAL INFORMATION

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

Name of the Director	S.N. LAKSHMI	Y. MALLIKHARJUNA RAO	A. SATYANARAYANA	P.V.V. SUBRAMANYAM
Date of Birth	06.12.1964	08/07/1965	22/04/1940	15/06/1969
Date of Appointment on the Board	30.06.2005	29/10/2009	30/06/2004	29/10/2009
Qualification, Experience & Expertise	She is a commerce graduate. She takes care of Marketing and HR polices of the Company	He is an Independent Director of the Company and is a qualified Bachelor of Commerce with more than a decade of experience in the field of finance & secretarial works..	He is Chartered Accountant and is a Tax Consultant and is a Independent Director of the Company and also he is Chairman of Audit Committee and has vast experience in the field of taxation and finance. The Company has been immensely benefitting from the guidance and suggestions in the field of commerce graduate	He is an Independent Director of the Company and has completed Post Graduation in Economics and also Law Graduate. He has more than 12 years of experience in Legal Matters.
Directorship in other public companies (Excluding foreign companies and section 25 Companies)	She neither holds any directorship nor membership of any committee, other than that of the Company	He is also a Director in Source Industries (India) Limited and Diligent Industries Limited	He neither holds any directorship nor membership of any committee, other than that of the Company.	He neither holds any directorship nor membership of any committee, other than that of the Company.
Shareholding	3,80,000	NIL	NIL	NIL

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EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS

The following Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") sets out all material facts relating to the business mentioned at Item Nos. 4 to 8 of the accompanying Notice dated 3rd December, 2014

Item no. 4 to 6:

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges, appointed Sri Y Mallikharjuna Rao, Sri A. Satyanarayana and Sri P.V.V. Subramanyam as Independent Directors at various times, in compliance with the requirements of the said clause.

As per the provisions of Section 149(4) which has come into force with effect from 1st April, 2014, every listed company is required to have at least one-third of the total number of Directors as Independent Directors. Further, Section 149(10) of the Act provides that an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation pursuant to Section 149(13) read with Section 152 of the Act.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement which would be effective from October 1, 2014 inter alia stipulates the conditions for the appointment of Independent Directors by a listed company.

The Nomination & Remuneration Committee has recommended the appointments of these Directors as Independent Directors to hold office for five consecutive years for a term with effect 31st December 2014 upto 30th December 2019..

The above Independent Directors have given a declaration to the Board that they meet the criteria of independence as provided under Section 149 (6) of the Act. In the opinion of the Board, the above Independent Directors fulfill the conditions specified in the Act and the Rules made there under for appointment as Independent Directors and they are independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of the above Directors as Independent Directors is now being placed before the Members in General Meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the Members at the Registered Office of the Company on all working days except Saturdays, during business hours upto the date of the Meeting.

The Board commends the Ordinary Resolutions set out at Items Nos. 4 to 6 of the Notice for approval by the Members.

The above Independent Directors are interested in the Resolutions mentioned at Item Nos. 4 to 6 of the Notice with regard to their respective appointments. Other than the above Independent Directors, no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolutions mentioned at Items Nos. 4 to 6 of the Notice."

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Item No. 7 to 8:

Section 180(1) (c) & (a) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business and create charges / mortgage assets of the Company in favor of lenders respectively, except with the consent of the company accorded by way of a special resolution

The Board feels that in addition to existing resources, the Company will be required to borrow funds from Banks and Financial Institutions. Your directors feel that over the coming years an amount Rs. 25.00 Crores will be required to be taken from Banks / Financial Institutions, which exceeds the aggregate of the paid up capital of the company and its free reserves.

As you are aware, it has become a regular commercial practice with the banks and financial institutions, who lend financial assistance to the Companies to insist on creating a Charge on the assets of the Company, which serves as a security for their loans.

In this backdrop, if your Company needs to avail any financial assistance from the institutional sources, it ought to create a charge on it's assets in the favour of the lenders. As per the provisions of Section 180 (1)(a) of the Companies Act, 2013, the Board should be authorised by the shareholders by passing a Special Resolution, to create any charge on the assets or mortgage the properties of the Company.

Further the resolution is commended for your approval

The Directors commend the Resolutions at Item Nos. 7-8 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors and Key managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of the Resolutions at Item No.7-8 except to the extent of their shareholding in the Company.

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DIRECTORS' REPORT

To
The Members,

Your Directors herewith present the **TWENTY FOURTH ANNUAL REPORT** together with the Audited Accounts of the company for the financial year ended 31st March, 2014.

FINANCIAL HIGHLIGHTS:

The performance of the company for the financial year ended 31st March 2014 is summarized below.
(Rupees In Lakhs)

PARTICULARS	2013-14	2012-13
Gross Revenue	0.00	0.00
Other Income	0.60	1.12
Total Expenditure	2.09	16.9
Profit/Loss before Financial Charges, Depreciation and Taxation	-1.49	-15.78
Less : Financial Charges	0.00	0.00
Depreciation	0.00	0.00
Profit/(Loss) before Tax (PBT)	-1.49	-15.78
Less : (Income Tax)	0.00	0.00
Add: Provision for Fringe Benefit Tax	0.00	0.00
Add: Provision for Deferred Tax Liability / (Asset)	0.00	0.00
Profit/(Loss) after Tax	-1.49	-15.78

OPERATIONS:

During the year, the Company has not undertaken any major commercial operations. Profit/(loss) after tax stood at Rs. (1.49) Lacs. The loss is on account of statutory and other expenses.

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 2013-2014, in view of the accumulated losses.

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FIXED DEPOSITS:

The company has neither accepted nor renewed any deposits and as such no principal or interest was outstanding as on the date of Balance Sheet

DIRECTORS:

In accordance with the Provisions of Section 152 of the Companies Act, 2013 Smt S.N.Lakshmi, retire at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment.

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges, appointed Sri Y Mallikharjuna Rao, Sri A.Satyanarayana and Sri P.V.V. Subramanyam, as Independent Directors at various times, in compliance with the requirements of the said clause.

As per the provisions of Section 149(4) which has come into force with effect from 1st April, 2014, every listed company is required to have at least one-third of the total number of Directors as Independent Directors. Further, Section 149(10) of the Act provides that an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation pursuant to Section 149(13) read with Section 152 of the Act.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement which would be effective from October 1, 2014 inter alia stipulates the conditions for the appointment of Independent Directors by a listed company.

The Nomination & Remuneration Committee has recommended the appointments of these Directors as Independent Directors to hold office for five consecutive years for a term with effect from the conclusion of this 24th Annual General Meeting till the conclusion of the 29th Annual General Meeting.

The above Independent Directors have given a declaration to the Board that they meet the criteria of independence as provided under Section 149 (6) of the Act. In the opinion of the Board, the above Independent Directors fulfill the conditions specified in the Act and the Rules made there under for appointment as Independent Directors and they are independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of the above Directors as Independent Directors is being placed before the Members in General Meeting for their approval.

Their profile and the experience in specific functional areas and other directorships held by them as stipulated in clause 49 of the listing agreement is provided in the Additional Information Section forming part of Notice and Corporate Governance Report forming part of the Annual Report.

AUDITORS:

Pursuant to the provisions of Section 139(2) of the Companies Act, 2013, and based on the recommendation of Audit Committee, the Board has at its meeting held on 03.12.2014 recommended the re-appointment of M/s. P S Nagaraju & Co., Chartered Accountants, Hyderabad, the Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting for a period of 5 years in accordance with the act subject to the ratification of shareholders at every Annual General Meeting.

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M/s. P S Nagaraju & Co have furnished a certificate stating that their re-appointment, if made, will be within the limits laid down under Section 141 of the Companies Act, 2013. Accordingly, the appointment of M/s P S Nagaraju & Co., Chartered Accountants, Hyderabad, as the Statutory Auditors, is being proposed as an Ordinary Resolution

The Board recommends their appointment as the Statutory Auditors 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 2013-14.

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, 2014, the applicable Accounting Standards have been followed along with the proper explanation relating to material departures, if any, there from;
- (ii) that the directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period:
- (iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities
- (iv) that the directors have prepared the annual accounts on a going concern basis

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

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

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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 requires 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 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 2014 -15.

ACKNOWLEDGEMENTS:

The Board of Directors would like to place on record its appreciation towards all the stakeholders for their continued support.

BY THE ORDER OF THE BOARD

**Sd/-
P. JANARDHAN REDDY
CHAIRMAN**

Date: 03.12.2014
Place: Hyderabad

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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:
(on receipts and payments basis)

Particulars	2013-14	(Rs. In Lacs)
		2012-13
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	Nil	Nil

BY THE ORDER OF THE BOARD

**Sd/-
P. JANARDHAN REDDY
CHAIRMAN**

Date : 03.12.2014

Place: Hyderabad

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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, 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, 2014, 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.

29.05.2013	13.08.2013	11.11.2013	16.01.2014	14.02.2014	14.03.2014
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The attendance at the Board Meetings conducted during the 12 months period ended 31st March, 2014 and at the Annual General Meeting as also the number of Directorships and committee memberships (other than Vertical Industries Limited) are given below:

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	Chairmanship	Committees
P Janardhan Reddy	Promoter & Non-Executive	Chairman	6	Yes	1	--	--
S N Lakshmi	Promoter & Non-Executive	Director	6	Yes	--	--	--
A Satyanarayana	Non-Executive, Independent	Director	6	Yes	--	--	--
P.V.V. Subramanyam	Non-Executive, Independent	Director	6	No	1	--	--
Y Mallikharjuna Rao	Non-Executive, Independent	Director	6	No	2	6	6

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3. AUDIT COMMITTEE

The Company has a Qualified and Independent Audit Committee comprising of 3 Non-executive Independent Directors, constituted in accordance with the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges and Section 177 of the Companies Act, 2013.

The Committee is empowered with the powers as prescribed under the said Clause 49 and Section 177 of the Companies Act, 2013. The Committee also acts in terms of reference and directions if any given by the Board from time to time.

Composition:

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

Meetings during the year:

During the Financial year ended 31st March, 2014, the Audit Committee met 4 times as follows, and all the members were present in each of such meetings.

29.05.2013	13.08.2013	11.11.2013	14.02.2014
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The Company continued to derive immense benefit from the deliberations of the Audit Committee. Sri A Satyanrayana, who headed the Audit Committee as Chairman is a Chartered Accountant by profession and has rich experience and knowledge in Taxation, 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. NOMINATION AND REMUNERATION COMMITTEE:

Terms of Reference:

The Remuneration Committee was renamed as Nomination and Remuneration Committee in compliance with requirement of the Companies, Act 2013 and Listing Agreement. It consists of 3 Independent Directors.

Composition

During the year remuneration committee consisted of the following directors:

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

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The terms of reference of the Committee interalia include:

- Attraction and Retention strategies for employees.
- Determine the compensation (including salaries and salary adjustments, incentives / benefits, bonuses) and Performance targets of the Chairman, Managing Director, COO, CFO, CEO & other senior management personnel
- Review employee development strategies.
- Formulate a criteria for determining qualifications, positive attributes and independence of a director;
- Recommend to the Board a policy for the remuneration of directors, key managerial personnel and other employees;
- Identify and nominate for the approval of the Board, candidates to fill Board vacancies as and when they arise.
- Recommend the appointment of any director to executive or other employment/place of profit in the Company;
- Recommend the sitting fees to be paid to Non Executive Directors;

Remuneration paid to Directors during the financial year 2013 -2014:

Executive Directors: NIL

Non - Executive Directors: NIL

No meeting of the remuneration committee was held during the financial year 2013-2014.

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

Pursuant to Section 178(5) of the Act the Company renamed the erstwhile Stakeholder/Investors Redressal Committee as the Stakeholder Relationship Committee. The Stakeholders Relationship Committee consists of 3 Independent Directors.

Brief description of terms of reference:

1. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
2. monitors expeditious redressal of investor grievance matters received from the stock exchanges, SEBI, registrar of companies, monitoring redressal of queries / complaints received from members relating to transfers, non-receipt of annual report, non receipt of dividend, redressal of grievances of shareholders, debenture holders and other security holders To approve, register, refuse to register transfer / transmission of shares and other securities ;
3. To sub-divide, consolidate and / or replace any share or other securities certificate(s) of the Company;
4. To authorise affixation of common seal of the Company;
5. To issue duplicate share other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;

VERTICAL INDUSTRIES LIMITED

(formerly known as LA MANSION GRANITES LIMITED)

6. To approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;
7. To review of dematerialization or rematerialization of the issued shares and other related matters;
8. To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s); and
9. Carrying out any other function contained in the equity listing agreements as and when amended from time to time

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 of the Company is the Compliance Officer of the Company.

The company has registered itself under SEBI Compliant Redressal System (SCORES) for faster and transparent processing of Investor Grievance. The details of Complaints receive and resolved during the year is as follows:

1	Pending at the beginning of the year	0
2	Received during the year	2
3	Disposed of during the year	2
4	Remaining unresolved at the end of the year	0

There are no outstanding complaints as on 31st March 2014.

VERTICAL INDUSTRIES LIMITED

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6. 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
2011	21 st	F-403 7-1-297 Babu Mansion Apartments Balkampet SR Nagar, Hyderabad -38	Friday, 30 th September,2011	10.30AM
2012	22 nd	F-106 Nirmal Towers Dwarakapuri Colony, Punjagutta, Hyderabad-500082	Friday, 28 th September,2012	10.30AM
2013	23 rd	F-106 Nirmal Towers Dwarakapuri Colony, Punjagutta, Hyderabad-500082	Monday, 30 th September,2013	10.30AM

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 2013-2014. There is no Special Resolution passed by way of Postal in the AGM.

9. 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.

VERTICAL INDUSTRIES LIMITED

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MEANS OF COMMUNICATION:

- a. Quarterly Financial Results are furnished within the time frame to the Stock Exchange as per clause 41 of the Listing Agreement and the same are displayed on the company's website.
- b. No presentations were made to the analysts or institutional investors during the year under review except the results are mailed electronically to those who have requested for regular information.
- c. All material information about the Company is promptly sent through facsimile to the Stock Exchanges where the Company's shares are listed.

d. C. E.O Certification

Sri P Janardhan Reddy , Chairman & Smt. S N Lakshmi, Director certified to the Board on the prescribed matters as required under Clause 49 of the Listing Agreement and the said Certificate was considered by the Board at its meeting held on 28.05.2014.

10. GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting	: 24th Annual General Meeting
Day, Date and time	: 31 st December, 2014 (Wednesday) at 10.30 a.m.
Venue	: F-201, Krishna Kamala Residency, Besides Satyasai Nigamagamam, Srinagar Colony, Hyderabad - 500073
Financial Year	: 01.04.2013 to 31.03.2014 (12 Months)
Book Closure Date	: 29 th December 2014 to 31 st December, 2014 (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

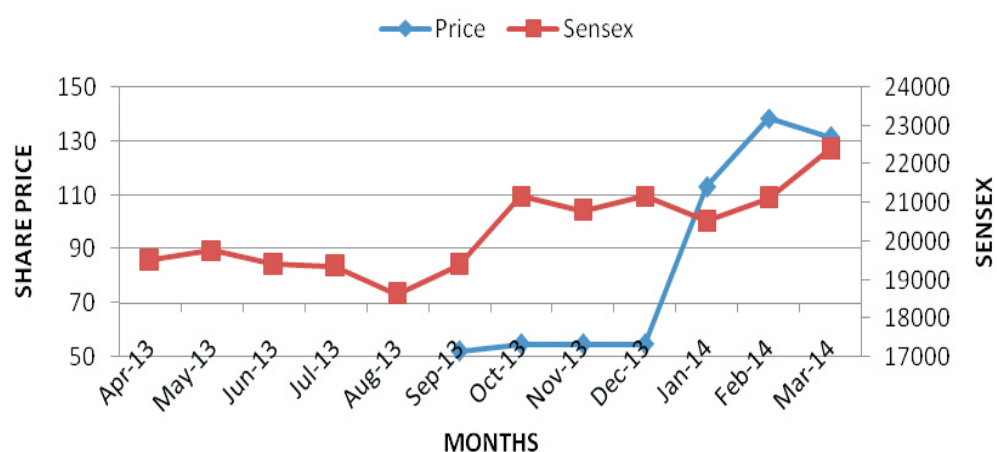
VERTICAL INDUSTRIES LIMITED

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Market Price Data:

Month	High	Low	Total no of equity shares traded
Apr-13	NA	NA	NA
May-13	NA	NA	NA
Jun-13	NA	NA	NA
July-13	NA	NA	NA
Aug-13	NA	NA	NA
Sep-13	171.65	110.00	2800
Oct-13	207.00	156.00	100
Nov-13	NA	NA	NA
Dec-13	NA	NA	NA
Jan-14	113.05	57.00	2500
Feb-14	154.27	118.50	3900
Mar-14	135.55	125.05	3600

COMPARISON OF MONTHLY CLOSING PRICE VS SENSEX



VERTICAL INDUSTRIES LIMITED

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Share Transfer System

:

The R&T agents process the share transfers received in physical form and the share certificates are returned within 15 days from the date of receipt, subject to the documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission etc of the Company's securities to the Share Transfer Committee.

The Company obtains half yearly Certificate of Compliance with the Share Transfer formalities as required under clause 47 (C) of the Listing Agreement with Stock exchanges from a Company Secretary in practice and the same is submitted to the Stock Exchanges within the period prescribed.

Shareholding Pattern as on 31st March, 2014:

	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	0	0
2.	Non Institutions		
	a. Bodies Corporate	33000	0.42
	b. Indian Public	5693000	73.03
	Sub-Total	5726000	73.03
	GRAND TOTAL	7796000	100.00

VERTICAL INDUSTRIES LIMITED

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DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Company has obtained electronic connectivity with CDSL. The ISIN allotted to the Company is INE247Q01015.

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-201, Krishna Kamala Residency, Besides
Satyasai Nigamagamam, Srinagar Colony,
Hyderabad - 500073

Nomination Facility:

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

Code of Conduct for the Board & Senior Management Personnel:

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

DECLARATION OF COMPLIANCE OF CODE OF CONDUCT

VERTICAL INDUSTRIES 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 Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year 2013-14.

Sd/-
P Janardhan Reddy
Chairman

Place: Hyderabad
Date: 28.05.2014

VERTICAL INDUSTRIES LIMITED

(formerly known as LA MANSION GRANITES LIMITED)

CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members,
VERTICAL INDUSTRIES LIMITED
Hyderabad

We have examined the compliance of conditions of corporate governance by **VERTICAL INDUSTRIES LIMITED** for the year ended 31st March, 2014, 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 were 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: 28.05.2014

VERTICAL INDUSTRIES LIMITED

(formerly known as LA MANSION GRANITES LIMITED)

Independent Auditors' Report

To the Members of
M/s VERTICAL INDUSTRIES LIMITED

Report on the Financial Statements:

1. We have audited the accompanying financial statements of **M/s Vertical Industries Limited (Formerly known as La Mansion Granites limited)**, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

2. Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility:

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error in making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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 management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

VERTICAL INDUSTRIES LIMITED

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Opinion:

6. In our opinion and to the best of our information and according to the explanations given to us, the 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:
- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31st, 2014;
 - b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") as amended by the companies (Auditor's Report) (Amendment) Order 2004' issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, we report that:
- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit
 - 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection(3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on March 31st, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For P.S. NAGARAJU & CO.,
Chartered Accountants,
(Firm Registration No: 011447S)**

**CA P.S. NAGARAJU
Partner
(Membership No: 210268)**

Place: Hyderabad
Date: 28.05.2014

VERTICAL INDUSTRIES LIMITED

(formerly known as LA MANSION GRANITES LIMITED)

The Annexure referred to in paragraph 7 of the Our Report of even date to the members of Vertical Industries Limited (Formerly known as La Mansion Granites limited) on the accounts of the company for the year ended 31st March, 2014.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- I. (a) The company has no fixed asset during the F.Y 2013-2014, hence the provisions of the Clause 4(i) of the said order is not applicable to the company.
- ii. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- iii. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of Clauses 4 {iii (b), iii(c) and iii(d)}of the Order are not applicable to the Company.
(b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraphs4 {iii (e) to (g)}of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business regarding payment for expenses & for sale of goods. During the course of our audit, no major instance of **continuing failure to correct any** weaknesses in the internal controls has been noticed.
- v. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, there is no transaction with related parties during the financial year 2013-2014, hence the provisions of Clauses 4 {v (a) & (b)}of the order are not applicable to the Company.

VERTICAL INDUSTRIES LIMITED

(formerly known as LA MANSION GRANITES LIMITED)

- vi. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
- vii. As per information & explanations given by the management, the company has an internal audit system commensurate with its size and the nature of its business.
- viii. As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- ix. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2014 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
- x. The Company have accumulated loss during the financial year 2013-2014 and has incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
- xi. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the company has not taken any loans from any financial institution, bank or debenture holders; hence this clause is not applicable to the said company.
- xii. According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provisions of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) as amended by the companies (Auditor's Report) (Amendment) Order 2004 is not applicable to the Company.
- xiv. According to information and explanations given to us, the company is not trading in Shares, Mutual funds & other Investments; hence this clause is not applicable to the said company.

VERTICAL INDUSTRIES LIMITED

(formerly known as LA MANSION GRANITES LIMITED)

- xv. According to the information and explanations given to us, the company has not given any guarantees for loan taken by others from a bank or financial institution.
- xvi. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
- xvii. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
- xviii. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the company has not made any preferential allotment of shares during the year.
- xix. The company has no outstanding debentures during the period under audit.
- xx. The company has not raised any money by public issue during the year.
- xxi. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the company has been noticed or reported during the year, nor have we been informed of such case by the management.

**For P.S. NAGARAJU & CO.,
Chartered Accountants,
(Firm Registration No: 011447S)**

**CA P.S. NAGARAJU
Partner
(Membership No: 210268)**

Place: Hyderabad,
Date: 28.05.2014

VERTICAL INDUSTRIES LIMITED

(formerly known as LA MANSION GRANITES LIMITED)

Balance sheet as at 31st March 2014

(Amount in Rs.)

Particulars	Note No.	As at	
		31st March, 2014	31st March, 2013
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
a) Share Capital	A	7,79,60,000	7,79,60,000
b) Reserves and Surplus	B	(7,54,49,066)	(7,52,84,555)
2 Share application money pending for allotment		-	-
3 Non - Current liabilities			
a) Long - term borrowings		-	-
b) Deferred tax liabilities (Net)		-	-
c) Other Long - term borrowings	C	27,89,000	26,89,000
d) Long - term provisions		-	-
4 Current liabilities			
a) Short - term borrowings		-	-
b) Trade payables	D	4,04,485	4,04,485
c) Other current liabilities	E	73,500	73,500
d) Short term Provisions		-	-
TOTAL		57,77,919	58,42,430
II. ASSETS			
1 Non-current Assets			
a) Fixed assets		-	-
b) Non-Current Investments		-	-
c) Long - term Loans & Advances		-	-
d) Other Non-Current assets		-	-
2 Current assets			
a) Inventories	F	53,40,250	53,94,250
b) Trade receivables		-	-
c) Cash and cash equivalents	G	16,322	26,833
d) Short-term loans and advances	H	4,21,347	4,21,347
e) Other current assets		-	-
TOTAL		57,77,919	58,42,430
Significant Accounting Policies & Practices			
The Notes form an integral part of these financial statements			

In terms of our report attached.

For P S NAGARAJU & CO.,Chartered Accountants
(Firm Reg. No.011447S)**For and on behalf of the Board of Directors****CA P S NAGARAJU**

Partner

(Membership No.210268)

Place :Hyderabad

Date : 28.05.2014

Sd/-
P Janardhan Reddy
Chairman**Sd/-**
S N lakshmi
Director

VERTICAL INDUSTRIES LIMITED
(formerly known as LA MANSION GRANITES LIMITED)

Statement of Profit and Loss account for the year ended 31st March, 2014

(Amount in Rs..)

Particulars	Note No.	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
I. Revenue from Operations	I	2,37,000	1,12,000
II. Other Income		-	-
III. Total Revenue (I +II)		2,37,000	1,12,000
IV. Expenses:			
Cost of Materials Consumed	J	-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	K	54,000	-
Employee Benefits Expense	L	60,000	40,000
Other Expenses	M	2,87,511	16,50,125
Total Expenses		4,01,511	16,90,125
V. Profit/(Loss) Before Exceptional and Extraordinary items and tax (III-IV)		(1,64,511)	(15,78,125)
VI. Exceptional Items & Extraordinary items		-	-
VII. Profit/(Loss) before tax (V - VI)		(1,64,511)	(15,78,125)
VIII. Tax Expenses			
1) Current tax		-	-
2) Deferred tax		-	-
IX. Profit for the year (VII - VIII)		(1,64,511)	(15,78,125)
X. Earning per equity share:			
**Basic/Diluted		(0.02)	(0.20)
Weighted Avg. No. of Shares outstanding		77,96,000	77,96,000
Significant Accounting Policies			

The Notes form an integral part of these financial statements

In terms of our report attached.

For P S NAGARAJU & CO.,
Chartered Accountants
(Firm Reg. No.011447S)

For and on behalf of the Board of Directors..

CA P S NAGARAJU
Partner
(Membership No.210268)

Sd/-
P Janardhan Reddy
Chairman

Place:Hyderabad
Date :28.05.2014

Sd/-
S N lakshmi
Director

VERTICAL INDUSTRIES LIMITED

(formerly known as LA MANSION GRANITES LIMITED)

Cash Flow Statement for the Year Ended March 31st, 2014

(Amount in Rupees)

S.NO.	PARTICULARS	For the year ended March 31st, 2014	For the year ended March 31st, 2013
A.	Cash Flow from Operating Activities:		
	Net Profit before Tax	(1,64,511)	(15,78,125)
	Adjustments for;		
	Depreciation	-	-
	Interest Paid	-	-
	Assets Written Off	-	-
	Interest Receivable	-	-
	Operating Profit before Working Capital Changes	(1,64,511)	(15,78,125)
	Adjustments for :-		
	Decrease / (Increase) in Trade & other receivables	-	-
	(Decrease) / Increase in Current Liabilities	-	(60,000)
	Decrease / (Increase) in Inventories	54,000	-
	Cash Generated from Operations	(1,10,511)	(16,38,125)
	Less: Interest on Working Capital	-	-
	Less: Extra Ordinary Items	-	-
	Less: Taxes Paid	-	-
	Net Cash Flow from Operating Activities	(1,10,511)	(16,38,125)
B	Cash Flow from Investing Activities	-	-
C	Cash Flow from Financing Activities		
	Increase / (Decrease) in Unsecured Loans	1,00,000	16,50,000
	Increase / (Decrease) in Long Term Borrowings	-	-
	Net Cash Flow (Used in) / From Financing Activities	1,00,000	16,50,000
	Net Increase in Cash and Equivalents	(10,511)	11,875
	Cash and Cash Equivalents (Opening Balance)	26,833	14,958
	Cash and Cash Equivalents (Closing Balance)	16,322	26,833

For and on behalf of the Board of Directors

Sd/
P Janardhan Reddy
ChairmanSd/
S N lakshmi
Director**Auditor's Certificate**

We have examined the above cash flow statement of Vertical Industries Limited, Hyderabad for the year ended 31st March, 2014. This statement has been prepared in accordance with the requirement of the listing agreement with the Stock Exchanges and is based on and in agreement with the corresponding figures of the profit and loss account and Balance sheet for the year ended 31st March, 2014

For P.S.NAGARAJU & Co.,
Chartered Accountants
(Firm Regd. No: 011447S)

CA. P.S.NAGARAJU
Partner
(Membership No: 210268)

Place: Hyderabad
Date: 28.05.2014

VERTICAL INDUSTRIES LIMITED

(formerly known as LA MANSION GRANITES LIMITED)

Notes forming part of Financial Statements

A. Share Capital

i) Details relating to Authorised, Issued, Subscribed and Paid up capital: (Amount in Rs..)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Authorized Share Capital; 1,00,00,000 (Previous year 10,00,000) Equity shares at Rs. 10/- each	10,00,00,000	10,00,00,000
Issued, Subscribed and Fully paid up Shares; 77,96,000 Equity shares at Rs. 10 each	7,79,60,000	7,79,60,000
Total	7,79,60,000	7,79,60,000

ii) Reconciliation Statement:

Particulars	No. of Shares
Number of shares outstanding as on 01st April, 2013.	77,96,000
Add: Additions to share capital on account of Fresh issue or bonus issue etc.,	-
Ded: Deductions from share capital on account of Shares bought back, redemption and etc.,	-
Number of shares outstanding as on 31st March, 2014	77,96,000

iii) Terms/rights attached to equity shares

The company has only one class of equity share having par value of Rs.10 per share. Each holder of the equity share is entitled to one vote per share. In the liquidation of the company, the holders of the equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts.

iv) Details of Share holders holding more than 5% shares in the company:

Name of the share holder	No. of Shares As on 01.04.2013	% of share holding	No. of Shares As on 31.03.2014	% of share holding
P. Janardhan Reddy	5,55,000	7.12%	5,55,000	7.12%
Total	5,55,000	7.12%	5,55,000	7.12%

B. Reserves and Surplus

Particulars	As at 31st March, 2013	Additions	Deletions	As at 31st March, 2014
Reserves:				
Capital Reserve	49,83,272	-	-	49,83,272
Surplus:				
Profit and Loss Account	(8,02,67,827)	(1,64,511)	-	(8,04,32,338)
Total	(7,52,84,555)	(1,64,511)	-	(7,54,49,066)

C. Other Long-Term Liabilities

(Amount in Rs..)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Loans:		
Loan From Others	27,89,000	26,89,000
Total	27,89,000	26,89,000

VERTICAL INDUSTRIES LIMITED

(formerly known as LA MANSION GRANITES LIMITED)

(Amount in Rs.)

D. Trade Payables

Particulars	As at 31st March, 2014	As at 31st March, 2013
Creditors for Purchases:		
Sundry Creditors	4,04,485	4,04,485
Total	4,04,485	4,04,485

E. Other Current Liabilities

Particulars	As at 31st March, 2014	As at 31st March, 2013
Expenses Payable:		
Sundry Creditors for Expenses	31,028	73,500
Audit fee payable	42,472	-
Total	73,500	73,500

F. Inventories

Particulars	As at 31st March, 2014	As at 31st March, 2013
Closing Inventory of Raw materials, Work-in-Progress & Finished goods:		
Raw Material_Granite Raw Blocks	2,79,902	2,79,902
Work-in-Progress_Granite Slabs	91,806	91,806
Finished Goods_Granite Slabs	49,68,542	50,22,542
Total	53,40,250	53,94,250

G. Cash and Cash equivalents

Particulars	As at 31st March, 2014	As at 31st March, 2013
Cash Balances:		
Cash-in-hand	16,322	26,833
Cash Equivalents (Balance in scheduled bank accounts)	-	-
Total	16,322	26,833

H. Short-term Loans and Advances

Particulars	As at 31st March, 2014	As at 31st March, 2013
Advances:		
Advance Recoverable in Cash or in Kind (Unsecured Considered Good)	4,21,301	4,21,301
Customs & Excise Deposits	46	46
Total	4,21,347	4,21,347

VERTICAL INDUSTRIES LIMITED

(formerly known as LA MANSION GRANITES LIMITED)

VERTICAL INDUSTRIES LIMITED

Statement of Significant Accounting Policies and Practices

(Annexed to and forming part of the financial statements for the year ended 31st March, 2014)

I. Basis for Preparation of Financial Statements:

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to circular 15/2013 dated 13.09.2013 read with circular 08/2014 dated 04.04.2014, till the Standards of Accounting or any addendum thereto are prescribed by the Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under Companies Act, 1956 shall continue to apply.

Consequently, these 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 Standards issued by the Institute of Chartered Accountants of India (ICAI) and notified under Section 211(3c) (Companies (Accounting Standards) Rules, 2006, as amended) and other relevant provisions of the Companies Act, 1956.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be in 12 months for the purpose of current – noncurrent classification of assets and liabilities.

II. Use of Estimates:

The preparation and presentation of financial statements requires estimates and assumptions and/or revised estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known/materialised.

III. Valuation of Inventories:

Finished and semi-finished products produced and purchased by the Company are carried at lower of cost and net realizable value. Work-in-progress is carried at lower of cost and net realisable value. Stores and spare parts are carried at cost.

IV. Revenue Recognition:

- (i) Revenues /Incomes and Costs/Expenditure are generally accounted on accrual, as they are earned or incurred.
- (ii) Sale of Goods is recognized on transfer of significant risks and rewards of ownership which is generally on the dispatch of goods.
- (iii) Company generally follows the mercantile system of accounting and recognizes income and expenses on accrual basis, including provisions or adjustments for committed obligations and amounts demined as payable or receivable during the year.

VERTICAL INDUSTRIES LIMITED

(formerly known as LA MANSION GRANITES LIMITED)

V. Fixed Assets & Method of Depreciation:

There are no fixed assets for the company. Hence AS-10 "Accounting for Fixed assets" and AS-6 "Accounting for Depreciation" are not applicable to the company for this financial year.

VI. Foreign Currency Transactions:

There is no foreign currency transaction for the company during the year; hence AS-11 "Accounting for foreign exchange" is not applicable for this year.

VII. Employee Benefits:

Expenses and Liabilities in respect of employee benefits are recorded in accordance with Revised Accounting Standard 15 – Employee Benefits (Revised 2005) issued by the Institute of Chartered Accountants of India (the "ICAI").

VIII. Earnings per share:

Basic earnings per share is computed by dividing the profit/ (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

IX. Related Party Transactions:

During the Financial Year 2013-2014, there is no transaction made with related party, therefore the Accounting standard-18 "Related Party disclosure" is not required.

X. Taxes on Income:

Income-tax expense comprises current tax and deferred tax charge or credit. Provision for current tax is made on the basis of the assessable income at the tax rate applicable to the assessment year 2014-15. Deferred tax asset and liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance sheet date.

In terms of our report attached.

For P.S. NAGARAJU & CO.,
Chartered Accountants
(Firm Registration No: 011447S)

CA P.S. NAGARAJU
Partner
(Membership No.210268)

Hyderabad
May 28, 2014

For and on behalf of the board

Sd/-
P Janardhan Reddy
Chairman

Sd/-
S N lakshmi
Director

VERTICAL INDUSTRIES LIMITED
(Formerly: La mansion Granites Limited)
CIN: L14102TG1990PLC011398

Regd Off: F-201, Krishna Kamala Residency, Besides Satyasai Nigamagamam,
Srinagar Colony, Hyderabad - 500073.
Email Id: lamansion1990@gmail.com, website: www.verticalindustries.in

Proxy form

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

CIN : L14102TG1990PLC011398
Name of the company : VERTICAL INDUSTRIES LIMITED
Registered office: : F-201, Krishna Kamala Residency, Besides Satyasai Nigamagamam -500073
Name of the member (s) :
Address :
E-mail Id :
Folio No/ Client Id: DP ID :
I/We, being the member (s) of : shares of the above
named company, hereby appoint

1. Name: Email Id:.....

Address:..... Signature:..... or failing him

2. Name: Email Id:.....

Address:..... Signature:..... or failing him

3. Name: Email Id:.....

Address:..... Signature: or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual general meeting of the company, to be held on the 31st day of December, 2014 at 10.30 a.m. at the registered office of the Company at at F-201, Krishna Kamala Residency, Besides Satyasai Nigamagamam, Srinagar Colony, Hyderabad 500073.(place) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. Adoption of Statement of Profit and Loss, Balance Sheet, Reports of Board of Directors And Auditors for the year ended March 31, 2014.
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. Appointment of M/s P S Nagaraju & Co., Chartered Accountants (Firm Reg No.011447S) Chartered Accountants as Auditors of the Company
4. Appointment of Sri A.Satyanarayana as Independent Director.
5. Appointment of Sri Y Mallikarjuna Rao as Independent Director
6. Appointment of Sri. Pithani Veera Venkata Subrahmanyam as Independent Director.
7. Borrowing Power to the Board
8. Authorization to the Board to create charge / mortgage assets of the company

Signed this.....day of.....20.....

Signature of shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Note: 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.

VERTICAL INDUSTRIES LIMITED

(Formerly: La mansion Granites Limited)

CIN: L14102TG1990PLC011398

Regd Off: F-201, Krishna Kamala Residency, Besides Satyasai Nigamagamam,
Srinagar Colony, Hyderabad - 500073.

Email Id: lamansion1990@gmail.com, website: www.verticalindustries.in

ATTENDENCE SLIP

(Please present this slip at the Meeting Venue)

24th ANNUAL GENERAL MEETING – 31st December, 2014

Regd. Folio No. :

No. of Shares Held:

I hereby record my presence at the 24th ANNUAL GENERAL MEETING of the members of the Company held on Wednesday, 31st December, 2014 at 10.30 A.M. at the registered office of the Company at F-201, Krishna Kamala Residency, Besides Satyasai Nigamagamam, Srinagar Colony, Hyderabad - 500073

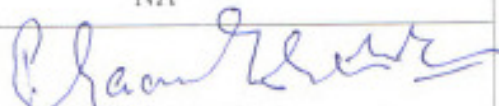



Name of the Shareholder:

Name of the Proxy:

Signature of Member / Proxy:

FORM A

COVERING LETTER OF THE ANNUAL AUDIT REPORT TO BE FILED WITH THE STOCK EXCHANGES

1.	Name of the Company:	VERTICAL INDUSTRIES LIMITED
2.	Annual financial statements for the year ended	31.03.2014.
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	NA
5.	To be signed by- <ul style="list-style-type: none">• Chairman • CFO • Auditor of the Company • Audit Committee Chairman	 P Janardhan Reddy  P Janardhan Reddy  CA PS Nagaraju Partner M.No. 210268 P S Nagaraju & Co Chartered Accountants.  A Satyanarayana