

22<sup>nd</sup>  

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Annual Report  

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2011 - 2012

**VERTICAL INDUSTRIES LIMITED**

(formerly known as LA MANSION GRANITES LIMITED)

# **VERTICAL INDUSTRIES LIMITED**

(formerly known as LA MANSION GRANITES LIMITED)

## **INDEX**

Page No.s

|   |    |
|---|----|
| Company Information                       | 2  |
| Notice & Directors Report                 | 3  |
| Management Discussion and Analysis Report | 8  |
| Report on Corporate Governance            | 10 |
| Auditors Report                           | 21 |
| Balance Sheet                             | 26 |
| Profit & Loss Account                     | 27 |
| Schedules forming part of accounts        | 28 |
| Cash Flow Statement                       | 33 |
| Attendance Sheet & Proxy Form             | 34 |

**COMPANY INFORMATION**

**BOARD OF DIRECTORS**

|                                |                              |
|--------------------------------|------------------------------|
| <b>SRI P.JANARDHAN REDDY</b>   | CHAIRMAN & MANAGING DIRECTOR |
| <b>SMT S.N.LAKSHMI</b>         | DIRECTOR                     |
| <b>SRI A.SATYANARAYANA</b>     | INDEPENDENT DIRECTOR         |
| <b>SRI Y MALLIKHARJUNA RAO</b> | INDEPENDENT DIRECTOR         |
| <b>SRI P.V.V. SUBRAMANYAM</b>  | 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,

**REGISTERED OFFICE** : F-106, Nirmala Towers, Dwarakapuri Colony,  
Punjagutta, Hyderabad -82

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

**REGISTRARS &  
SHARE TRANSFER AGENTS** : **M/s. Bigshare Services Private Limited**  
Local office at 306, Right Wing, Amrutha  
Ville, Opp. Yashoda Hospital, Somajiguda,  
Rajbhavan Road, Hyderabad – 500 082

## **VERTICAL INDUSTRIES LIMITED**

(formerly known as LA MANSION GRANITES LIMITED)

### **NOTICE**

Notice is hereby given that the **Twenty Second Annual General Meeting** of the members of the Company will be held on Friday 28th September, 2012 at 10.30 A.M at the Registered office of the Company at F-106 Nirmal Towers Dwarakapuri Colony, Punjagutta, Hyderabad-500082 to transact the following business:

### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2012 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 Sri Y. Mallikharjuna Rao who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Director in the place of Sri A Satyanarayana, 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 Auditors 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  
**VERTICAL INDUSTRIES LIMITED**  
(formerly known as LA MANSION GRANITES LIMITED)

Sd/-  
**P.JANARDHAN REDDY**  
CHAIRMAN & MANAGING DIRECTOR

Date : 14.08.2012  
Place : Hyderabad

**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 24th September, 2012 to 28th September, 2012 (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. Local office at 306, Right Wing, Amrutha Ville, Opp. Yashoda Hospital, Somajiguda, Rajbhavan Road, 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. Local office at 306, Right Wing, Amrutha Ville, Opp. Yashoda Hospital, Somajiguda, Rajbhavan Road, 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 :

## **VERTICAL INDUSTRIES LIMITED**

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### **ADDITIONAL INFORMATION**

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

#### **Y Mallikharjuna Rao**

Sri Y Mallikharjuna Rao, aged about 45 years, R/o Safilguda, Secunderabad is a qualified Bachelor of Commerce with more than a decade of experience in the field of finance & secretarial works.

The Board considers the experience of Sri Y Mallikharjuna Rao, as invaluable use for the Company.

He is also a Director in Source Industries (India) Limited and Diligent Industries Limited

**Shareholding in the Company: Nil**

#### **A Satyanarayana**

A Satyanarayana is aged about 72 years, Chartered Accountant and is a Tax Consultant, he is Chairman of Audit Committee. He 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 and has been associated with the Company since 2006.

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

**Shareholding in the Company: Nil**

**DIRECTORS' REPORT**

To  
The Members  
**Vertical Industries Limited**

Your Directors herewith present the **TWENTY SECOND ANNUAL REPORT** together with the Audited Accounts of the company for the financial year ended 31st March, 2012.

**FINANCIAL HIGHLIGHTS:**

The performance of the company for the financial year ended 31st March 2012 is summarized below.  
(Rupees In Lakhs)

| <b>PARTICULARS</b>   | <b>Current Year<br/>31.03.2012</b> | <b>Previous Year<br/>31.03.2011</b> |
|--|------------------------------------|-------------------------------------|
| Gross Revenue  | 9.61                               | 37.33                               |
| Total Expenditure  | 28.92                              | 34.53                               |
| Profit/Loss before Financial Charges,<br>Depreciation and Taxation | -19.31                             | 2.79                                |
| <b>Less : Financial Charges</b>                                    | 0.00                               | 0.00                                |
| Depreciation   | 0.00                               | 0.00                                |
| Profit/(Loss) before Tax (PBT )                                    | -19.31                             | 2.79                                |
| <b>Less : (Income Tax)</b>   | 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                                |
| <b>Profit/(Loss) after Tax</b>                                     | -19.31                             | 2.79                                |
| Add : Balance brought forward from previous year                   | -767.58                            | -770.38                             |
| Balance carried to Balance Sheet                                   | -786.89                            | -767.58                             |

**OPERATIONS:**

During the year, the gross revenue stood at Rs.9.61 Lacs and Profit after tax stood at Rs.(19.31) 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.

## **VERTICAL INDUSTRIES LIMITED**

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### **DIVIDEND:**

Your Directors do not recommend any dividend for the financial year 2011-2012, in view of the accumulated losses.

### **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 A Satyanarayana and Sri Y Mallikharjuna Rao directors retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

### **AUDITORS:**

M/s. P S Nagaraju & 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 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 2011-12 .

### **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, 2012, 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.

**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 2012 -13.

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

Date : 14.08.2012  
Place : Hyderabad

Sd/-  
**P. Janardhan Reddy**  
CHAIRMAN & MANAGING DIRECTOR

# VERTICAL INDUSTRIES LIMITED

(formerly known as 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)

| Particulars               | (Rs. In Lacs) |         |
|---------------------------|---------------|---------|
|                           | 2011-12       | 2010-11 |
| Foreign Exchange Earnings | Nil           | Nil     |
| Foreign Exchange Outgo    | Nil           | Nil     |

By the order of the Board  
**For VERTICAL INDUSTRIES LIMITED**  
(formerly known as LA MANSION GRANITES LIMITED)

Sd/-

**P. Janardhan Reddy**  
CHAIRMAN & MANAGING DIRECTOR

Date : 14.08.2012  
Place : Hyderabad

**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, 2012, Board of Directors met 7 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.

|            |            |            |            |            |            |            |
|------------|------------|------------|------------|------------|------------|------------|
| 14.05.2011 | 11.06.2011 | 13.08.2011 | 02.09.2011 | 12.11.2011 | 14.02.2012 | 31.03.2012 |
|------------|------------|------------|------------|------------|------------|------------|

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 Vertical Industries Limited ) are given below:

## VERTICAL INDUSTRIES LIMITED

(formerly known as 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 | 7                              | Yes                        | 1   | --             | --           |
| S N Lakshmi         | Promoter & Non-Executive   | Director                     | 7                              | Yes                        | --  | --             | --           |
| A Satyanarayana     | Non-Executive Independent  | Director                     | 7                              | Yes                        | --  | --             | --           |
| P.V.V. Subramanyam  | Non-Executive, Independent | Director                     | 7                              | No                         | 1   | --             | --           |
| Y Mallikharjuna Rao | Non-Executive, Independent | Director                     | 7                              | 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
  - (iii) Major Judgmental Decisions; etc.

- 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, 2012, the Audit Committee met 5 times as follows, and all the members were present in each of such meetings.

|            |            |            |            |            |
|------------|------------|------------|------------|------------|
| 14.05.2011 | 13.08.2011 | 12.11.2011 | 14.02.2012 | 31.03.2012 |
|------------|------------|------------|------------|------------|

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 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. 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.

## **VERTICAL INDUSTRIES LIMITED**

(formerly known as LA MANSION GRANITES LIMITED)

### **Composition**

The committee consists of the following directors :

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

### **Remuneration paid to Directors during the Financial year 2011 -2012 :**

Executive Directors : NIL

Non - Executive Directors : NIL

No meeting of the remuneration committee was held during the financial year 2011-2012.

### **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 Satyanarayana    | - | 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 2012

**6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

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

**7. GENERAL BODY MEETINGS:**

**Venue and time where the last three AGMs held:**

| Year | AGM  | Venue   | Day & Date                      | Time       |
|------|------|---|---------------------------------|------------|
| 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  | 10:30 A.M. |
| 2011 | 21st | F-403 7-1-297 Babu Mansion Apartments Balkampet SR Nagar, Hyderabad – 500 038     | Friday, 30th September, 2011    | 10:30 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 2011-2012. There is no Special Resolution passed by way of Postal in the AGM.

**8. 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

## **VERTICAL INDUSTRIES LIMITED**

(formerly known as LA MANSION GRANITES LIMITED)

- 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.

### **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 & Managing Director & 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 23.05.2012.

### **9. GENERAL SHAREHOLDER INFORMATION:**

|                               |   |  |
|-------------------------------|---|--|
| <b>Annual General Meeting</b> | : |  |
| <b>Day, Date and time</b>     | : | 28th September, 2012 ( Friday ) at 10.30 a.m.                          |
| <b>Venue</b>                  | : | F-106 Nirmal Towers Dwarakapuri Colony<br>Punjagutta, Hyderabad-500082 |
| <b>Financial Year</b>         | : | 01.04.2011 to 31.03.2012 (12 Months)                                   |
| <b>Book Closure Date</b>      | : | 24th September 2012 to 28th September, 2012<br>(both days inclusive)   |
| <b>Dividend</b>               | : | 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 2011-2012

**Share Transfer System :**

The R&T agents process the share transfers received in physical form and the share certificates are returned within 30 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.

## VERTICAL INDUSTRIES LIMITED

(formerly known as LA MANSION GRANITES LIMITED)

### Shareholding Pattern as on 31st March, 2012:

| Category   | No. of shares held | Percentage of Shareholding |
|--|--------------------|----------------------------|
| <b>A Shareholding of Promoter and Promoter Group</b> |                    |                            |
| 1. Promoters & Persons Acting in concert             | 2070000            | 26.55                      |
| <b>Sub-Total</b>                                     | <b>2070000</b>     | <b>26.55</b>               |
| <b>B. Public Shareholding</b>                        |                    |                            |
| 1. Institutions                                      | 1000000            | 12.83                      |
| 2. Non Institutions                                  |                    |                            |
| a. Bodies Corporate                                  | 15600              | 0.20                       |
| b. Indian Public                                     | 4710400            | 60.42                      |
| <b>Sub-Total</b>                                     | <b>5726000</b>     | <b>73.45</b>               |
| <b>GRAND TOTAL</b>                                   | <b>7796000</b>     | <b>100.00</b>              |

### 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-106 Nirmal Towers Dwarakapuri Colony  
Punjagutta, Hyderabad-500082

### 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 2011-12.

Sd/-

**P Janardhan Reddy**

Chairman & Managing Director

Place: Hyderabad

Date: 14.08.2012

## **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, 2012, 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 : 14.08.2012

**AUDITORS' REPORT**

To,  
The Members of  
**VERTICAL INDUSTRIES LIMITED**

We have audited the attached Balance Sheet of **M/s VERTICAL INDUSTRIES LIMITED (formerly known as LA MANSION GRANITES LIMITED)** as at 31st March 2012 and the related Profit & Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. 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 the audit in accordance with the 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 mis-statement. 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 Companies (Auditors report) Order, 2003, issued by the Central Government of India in terms of sub - section 4(A) of Section 227 of The Companies Act, 1956 we enclose in the Annexure 'A' a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure 'A' referred to in paragraph 2 above, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - ii. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
  - iii. The Balance sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-Section (3c) of the Section 211 of the Act;

## **VERTICAL INDUSTRIES LIMITED**

(formerly known as LA MANSION GRANITES LIMITED)

- v. On the basis of written representations received from the directors, as on 31st March 2011 and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
3. In our opinion, and to the best of our information and explanations 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 2012 and
    - b. In the case of the Profit and Loss of 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)

Sd/-

**CA P S Nagaraju**  
Partner  
Membership No.210268

Place : Hyderabad  
Date : 23.05.2012

**ANNEXURE 'A' TO THE AUDITORS' REPORT**

The Annexure referred to paragraph 2 of our report to the members of Vertical Industries Limited (formerly known as La Mansion Granites Limited) ("the Company") for the year ended March 31st 2012 we report that:

- i. Since the company is not holding fixed assets, the sub clauses (a), (b) and (c) are not applicable.
- ii.
  - a) The inventories have been physically verified by management reasonable intervals during the year; and
  - b) 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; and
  - c) 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.
- iii. Since the company has not granted any loans to companies, firms or other parties covered in register maintained under section 301 of the Act, the sub clauses (a) to (d) are not applicable; and
  - e) The Company has not taken unsecured loan from parties covered in the registrar maintained under Section 301 of the Companies Act, 1956, Hence, this clause is not applicable.
  - f) The rate of Interest and other terms and conditions of the aforesaid loan are not prejudicial to the interests of the company; and
  - g) In our opinion, The payment of principal amount and interest are regular.
- iv. 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.
- v. 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,

## **VERTICAL INDUSTRIES LIMITED**

(formerly known as LA MANSION GRANITES LIMITED)

- vi. 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.
- vii. Since the company's paid up capital and reserves is less than Rs. 50,00,000/- and the company's turnover is less than 5,00,00,000/-, this clause is not applicable to this company.
- viii. 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.
- ix.
  - a) 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 2012 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 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.
- x. 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.
- xi. Based on our audit procedures and on the information and explanations given by the management, no such loans were taken by the Company during the year under the audit.
- xii. 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.
- xiii. 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 sub clauses (a) to (d) of this clause are not applicable.
- xiv. According to the information and explanations given to us, the Company is not dealing in or trading in Shares, Securities, debentures and other investment.
- xv. 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.



## **Annual Report 2011 - 2012**

- xvi. Since the company has not taken any term loans, this clause is not applicable.
- xvii. 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.
- xviii. Since the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act, this clause is not applicable.
- xix. According to the information and explanation given to us, the Company has not issued any debentures during the year under audit. Hence the question of security or charges against debentures does not arise.
- xx. Since the company has not raised money from public, the question of disclosure of end use of money does not arise.
- xxi. 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 : 23.05.2012

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

## Annual Report 2011 - 2012

### BALANCE SHEET AS AT 31-03-2012

(Amount in Rupees)

| Particulars   | Note No | As at 31-03-12   | As at 31-03-11   |
|---|---------|------------------|------------------|
| <b>I. SOURCES OF FUNDS:</b>                             |         |                  |                  |
| <b>Share Holders' Funds:</b>                            |         |                  |                  |
| a) Share Capital  | A       | 77,960,000       | 77,960,000       |
| b) Reserves and Surplus                                 | B       | (73,706,430)     | (71,775,061)     |
| c) Money received against share warrants                |         | -                | -                |
| <b>2) Share application money pending for allotment</b> |         | -                | -                |
| <b>3) Non - Current liabilities</b>                     |         |                  |                  |
| a) Long - term borrowings                               |         | -                | -                |
| b) Deferred tax liabilities (Net)                       |         | -                | -                |
| c) Other Long term liabilities                          | C       | 1,039,000        | -                |
| d) Long term Provisions                                 |         | -                | -                |
| <b>4) Current liabilities</b>                           |         |                  |                  |
| a) Short - term borrowings                              |         | -                | -                |
| b) Trade payables                                       | D       | 404,485          | 404,485          |
| c) Other current liabilities                            | E       | 133,500          | 73,500           |
| d) Short term Provisions                                |         | -                | -                |
| <b>Total</b>  |         | <b>5,830,555</b> | <b>6,662,924</b> |
| <b>II. ASSETS</b>                                       |         |                  |                  |
| <b>Non-current Assets</b>                               |         |                  |                  |
| 1) a) Fixed assets                                      |         | -                | -                |
| i) Tangible assets                                      |         | -                | -                |
| ii) Intangible assets                                   |         | -                | -                |
| iii) Capital Work -in-progress                          |         | -                | -                |
| iv) Intangible assets under development                 |         | -                | -                |
| b) Non-current Investments                              |         | -                | -                |
| c) Deferred Tax assets ( net)                           |         | -                | -                |
| d) Long term loans and advances                         |         | -                | -                |
| e) Other non-current assets                             |         | -                | -                |
| <b>2) Current assets</b>                                |         |                  |                  |
| a) Current Investments                                  |         | -                | -                |
| b) Inventories  | F(i)    | 5,394,250        | 6,229,250        |
| c) Trade receivables                                    |         | -                | -                |
| d) Cash and cash equivalents                            | G       | 14,958           | 12,327           |
| e) Short-term loans and advances                        | H       | 421,347          | 421,347          |
| f) Other current assets                                 |         | -                | -                |
| <b>Total</b>  |         | <b>5,830,555</b> | <b>6,662,924</b> |

See accompanying notes forming part of the financial statements

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 : 23.05.2012

For and on behalf of the board

Sd/-

**P. JANARDHAN REDDY**

Chairman & Managing Director

Sd/-

**S. N. LAKSHM**

Director

**VERTICAL INDUSTRIES LIMITED**

(formerly known as LA MANSION GRANITES LIMITED)

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31.03.2012**

| Particulars   | Note No  | For the year<br>31-03-12 | For the year<br>31-03-11 |
|---|----------|--------------------------|--------------------------|
| <b>I. Revenue from Operations</b>   | <b>I</b> | <b>961,000</b>           | <b>3,733,020</b>         |
| <b>II Other Income</b>  |          | -                        | -                        |
| <b>III. Total Revenue(I+II)</b>   |          | <b>961,000</b>           | <b>3,733,020</b>         |
| <b>IV. Expenses:</b>  |          |                          |                          |
| Cost of Materials Consumed  |          | -                        | -                        |
| Purchases of Stock -in-Trade  | J        | -                        | 3,039,300                |
| Changes in Inventories of Finished goods F(iii)                                     |          | 835,000                  | -                        |
| Work in Progress and Stock -in- Trade   |          | -                        | -                        |
| Employee Benefits Expense   | K        | 63,000                   | 127,710                  |
| Finance Costs   |          | -                        | -                        |
| Depreciation and Amortization Expense   |          | -                        | -                        |
| Other Expenses  | L        | 1,994,369                | 286,220                  |
| <b>Total Expenses</b>   |          | <b>2,892,369</b>         | <b>3,453,230</b>         |
| <b>V. Profit/(Loss) Before Exceptional and Extraordinary items and tax</b>          |          | <b>(1,931,369)</b>       | <b>279,790</b>           |
| <b>VI. Exceptional Items</b>  |          | -                        | -                        |
| <b>VII. Profit/(Loss) Before Extraordinary items and tax (V-VI)</b>                 |          | <b>(1,931,369)</b>       | <b>279,790</b>           |
| <b>VIII. Extraordinary items</b>  |          | -                        | -                        |
| <b>IX. Profit/(Loss) before tax (VII - VIII)</b>                                    |          | <b>(1,931,369)</b>       | <b>279,790</b>           |
| <b>X. Tax Expenses</b>  |          |                          |                          |
| 1) Current tax  |          | -                        | -                        |
| 2) Deferred tax   |          | -                        | -                        |
| <b>XI. Profit/(Loss) for the period from continuing operations (After Tax)</b>      |          | <b>(1,931,369)</b>       | <b>279,790</b>           |
| <b>XII. Profit/(Loss) for the period from discontinuing operations (Before tax)</b> |          | -                        | -                        |
| <b>XIII. Tax Expense of discontinuing operations</b>                                |          | -                        | -                        |
| <b>XIV. Profit/(Loss) for the period from continuing operations (after Tax)</b>     |          | -                        | -                        |
| <b>XV. Profit/(Loss) for the period</b>   |          | <b>(1,931,369)</b>       | <b>279,790</b>           |
| <b>XVI. Earning per equity share:</b>   |          |                          |                          |
| 1) Basic  |          | (0)                      | 0                        |
| 2) Diluted  |          | -                        | -                        |

See accompanying notes forming part of the financial statements

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 : 23-05-2012

For and on behalf of the board

Sd/-

**P. JANARDHAN REDDY**

Chairman &amp; Managing Director

Sd/-

**S. N. LAKSHM**

Director

**VERTICAL INDUSTRIES LIMITED**

(formerly known as LA MANSION GRANITES LIMITED)

**NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2012****Note No. : A Share Capital****i) Details relating to Authorised, Issued, Subscribed and Paid up capital: (In Rupees)**

| <b>Particulars</b>                               | <b>As on<br/>31-03-2011</b> | <b>As on<br/>31-03-2010</b> |
|--|-----------------------------|-----------------------------|
| <b>Authorised Share Capital;</b>                 |                             |                             |
| 1,00,00,000 Equity shares at Rs. 10 each         | 10,00,00,000                | 10,00,00,000                |
| <b>Issued, Subscribed and Fully paid Shares;</b> |                             |                             |
| 77,96,000 Equity shares at Rs. 10 each           | 77,960,000                  | 77,960,000                  |
|  | <b>77,960,000</b>           | <b>77,960,000</b>           |

**ii) Reconciliation Statement:**

| <b>Particulars</b>   | <b>No. of Shares</b> |
|--|----------------------|
| Number of shares outstanding as on 01.04.2011  | 7,796,000            |
| <b>Add:</b> Additions to share capital on account of<br>Fresh issue or bonus issue etc.,             | -                    |
| <b>Ded :</b> Deductions from share capital on account of Shares<br>bought back, redemption and etc., | -                    |
| <b>Number of shares outstanding as on 31.3.2012</b>  | <b>7,796,000</b>     |

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

| <b>Name of the share holder</b> | <b>No. of Shares</b> | <b>% of share holding</b> |
|---------------------------------|----------------------|---------------------------|
| P. Janardhan Reddy              | 555,000              | 7.12                      |
| <b>Total</b>                    | <b>555,000</b>       | <b>7.12</b>               |

**Note No. : B. Reserves and Surplus**

| <b>Particulars</b>      | <b>01.04.2011</b>   | <b>Additions</b>   | <b>Deletions</b> | <b>As on<br/>31.03.2012</b> |
|-------------------------|---------------------|--------------------|------------------|-----------------------------|
| Capital Reserve         | 4,983,272           | -                  | -                | 4,983,272                   |
| Profit and Loss Account | (76,758,333)        | (1,931,369)        | -                | (78,689,702)                |
| <b>Total</b>            | <b>(71,775,061)</b> | <b>(1,931,369)</b> | <b>-</b>         | <b>(73,706,430)</b>         |

## Annual Report 2011 - 2012

| <b>Note No. : C Long-Term Borrowings</b>   |                        |                        |
|--|------------------------|------------------------|
| <b>Particulars</b>   | <b>Amount (Rs)</b>     |                        |
| <b>Loan from Related parties(Unsecured);</b>   | -                      | -                      |
| <b>Add; Accepted during the year;</b>  | 2,000,000              |                        |
| <b>Less: Paid during the Year</b>  | (961,000)              |                        |
| <b>Total</b>   | <b>1,039,000</b>       |                        |
| <b>D. Trade Payables</b>   |                        |                        |
| <b>Particulars</b>   | <b>As on 31.3.2012</b> | <b>As on 31.3.2011</b> |
| Sundry Creditors for Purchases   | 404,485                | 404,485                |
| <b>Total</b>   | <b>404,485</b>         | <b>404,485</b>         |
| <b>Note No. : E. Other Current Liabilities</b>   |                        |                        |
| <b>Particulars</b>   | <b>As on 31.3.2012</b> | <b>As on 31.3.2011</b> |
| Payment to Auditors  | 60,000                 | -                      |
| Sundry Creditors for Expenses  | 73,500                 | 73,500                 |
| <b>Total</b>   | <b>133,500</b>         | <b>73,500</b>          |
| <b>Note No. : F. Changes in Inventories of Finished goods, Work in Progress and Stock in Trade</b> |                        |                        |
| <b>Particulars</b>   | <b>As on 31.3.2012</b> | <b>As on 31.3.2011</b> |
| <b>i) Inventories at the end of the year:</b>  |                        |                        |
| Granite Raw Blocks   | 279,902                | 279,902                |
| Work in Progress-Granite Slabs   | 91,806                 | 91,806                 |
| Finished Goods - Granite Slabs   | 5,022,542              | 5,857,542              |
|  | 5,394,250              | 6,229,250              |
| <b>ii) Inventories at the beginning of the year:</b>   |                        |                        |
| 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              |
| <b>iii) Net (Increase)/Decrease</b>  | <b>835,000</b>         | <b>-</b>               |

**VERTICAL INDUSTRIES LIMITED**

(formerly known as LA MANSION GRANITES LIMITED)

**Note No. : G. Cash and Cash Equivalents**

| <b>Particulars</b>                                | <b>As on 31.3.2012</b> | <b>As on 31.3.2011</b> |
|---|------------------------|------------------------|
| Cash in Hand                                      | -                      | 18                     |
| Balances in Current Accounts with Scheduled Banks | 14,958                 | 12,309                 |
| <b>Total</b>                                      | <b>14,958</b>          | <b>12,327</b>          |

**Note No. : H . Loans and Advances**

| <b>Particulars</b>  | <b>As on 31.3.2012</b> | <b>As on 31.3.2011</b> |
|---|------------------------|------------------------|
| Others;<br>Advances Recoverable in cash or in kind<br>(Unsecured Considered good) | 421,301                | 421,301                |
| Customs and Excise Deposits   | 46                     | 46                     |
| <b>Total</b>  | <b>421,347</b>         | <b>421,347</b>         |

**Note No. : I . Revenue from Operations**

| <b>Particulars</b>                      | <b>For the financial year Ended 31.3.2012</b> | <b>For the financial year Ended 31.3.2011</b> |
|---|---|---|
| Sale of Products;<br>Manufactured Goods | 961,000                                       | 3,733,020                                     |
| <b>Total</b>                            | <b>961,000</b>                                | <b>3,733,020</b>                              |

**Note No. : J . Purchase of Materials**

| <b>Particulars</b>    | <b>For the financial year Ended 31.3.2012</b> | <b>For the financial year Ended 31.3.2011</b> |
|-----------------------|---|---|
| Purchase of Materials | -   | 3,039,300                                     |
| <b>Total</b>          | <b>-</b>                                      | <b>3,039,300</b>                              |

**Note No. : K . Employee Benefit Expenses**

| <b>Particulars</b> | <b>For the financial year Ended 31.3.2012</b> | <b>For the financial year Ended 31.3.2011</b> |
|--------------------|---|---|
| Salaries and Wages | 63,000  | 127,710                                       |
| <b>Total</b>       | <b>63,000</b>                                 | <b>127,710</b>                                |

**VERTICAL INDUSTRIES LIMITED**

(formerly known as LA MANSION GRANITES LIMITED)

**Note No. : L. Other Expenses**

| <b>Particulars</b>      | <b>For the financial<br/>Year ended 31.3.2012</b> | <b>For the financial<br/>year ended 31.3.2011</b> |
|-------------------------|---|---|
| Administrative Expenses | 90,609  |   |
| BSE Fees                | 1,833,740   | -   |
| ROC Filing Fees         | 10,020  | -   |
| Payment to Auditors     | 60,000  | 60,000  |
| Miscellaneous Expenses  | -   | 226,220   |
| <b>Total</b>            | <b>1,994,369</b>                                  | <b>286,220</b>                                    |

## **VERTICAL INDUSTRIES LIMITED**

(formerly known as LA MANSION GRANITES LIMITED)

### **Note No. : M Other notes to Accounts;**

#### **A. SIGNIFICANT ACCOUNTING POLICIES**

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.



**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 2011-2012 is Rs.60,000/-
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.

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(Signature to Notes A to M)  
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 : 23.05.2012

For and on behalf of the board

Sd/-  
**P. JANARDHAN REDDY**  
Chairman & Managing Director

Sd/-  
**S. N. LAKSHM**  
Director

**VERTICAL INDUSTRIES LIMITED**

(formerly known as LA MANSION GRANITES LIMITED)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012**

(In Rupees)

| <b>S. No. Particulars</b>                          | <b>31-03-2012</b>  | <b>31-03-2011</b> |
|--|--------------------|-------------------|
| <b>A. Cash Flow from Operating Activities</b>      |                    |                   |
| Net Profit before Income Tax                       | (1,931,369)        | 279,790           |
| Adjustments for ::                                 |                    |                   |
| Depreciation                                       | -                  | -                 |
| Interest Paid                                      | -                  | -                 |
| Assets Written Off                                 | -                  | -                 |
| Miscellaneous Expenses Written Off                 | -                  | -                 |
| Expenses Provision Written Back                    | -                  | -                 |
| Sundry Creditor Balances Written Back              | -                  | -                 |
| Interest Receivable                                | -                  | -                 |
| Operating Profit before Working Capital Changes    | (1,931,369)        | 279,790           |
| Capital Changes                                    |                    |                   |
| Adjustments for ::                                 |                    |                   |
| Decrease / (Increase) in Trade & other receivables | -                  | (368,291)         |
| Decrease / (Increase) in Current Liabilities       | 60,000             | 88,500            |
| Decrease / (Increase) in Inventories               | 835,000            | -                 |
| (Decrease) / Increase in Working Capital Finance   | -                  | -                 |
| <b>Cash Generated from Operations</b>              | <b>(1,036,369)</b> | <b>(1)</b>        |
| Interest on Working Capital                        | -                  | -                 |
|  |                    |                   |
| Cash Flow before Extra Ordinary Items              | (1,036,369)        | (1)               |
| Extra Ordinary Items                               | -                  | -                 |
| Net Cash Flow from operating activities            | (1,036,369)        | (1)               |
| Taxes Paid   | -                  | -                 |
| Net Cash Flow from operating activities            | (1,036,369)        | (1)               |
| <b>B Cash Flow from Investing activities</b>       |                    |                   |
| Net Cash (Used in) / from Investing Activities (B) | -                  | -                 |
| <b>C Cash Flow from Financing Activities</b>       |                    |                   |
| (Increase) / Decrease in Unsecured Loans           | 1,039,000          | -                 |
| (Increase) / Decrease in Long Term Borrowings      | -                  | -                 |
| Net Cash (Used in)/ From Financing Activities (C)  | 1,039,000          | -                 |
| Net Increase in Cash and Equivalents (A-(B+C))     | 2,631              | (1)               |
| Cash and Cash Equivalents (Opening Balance)        | 12,327             | 12,328            |
| Cash and Cash Equivalents (Closing Balance)        | 14,958             | 12,327            |

For &amp; on behalf of the Board of Director

Sd/-

Sd/-

Place : Hyderabad

**P Janaradhan Reddy****S N Lakshmi**

Date : 23.05.2012

Chairman &amp; Managing Director

Director

**AUDITORS CERTIFICATE**

We have examined the above cash flow statement of VERTICAL INDUSTRIES LIMITED, Hyderabad for the year ended 31st March, 2012. 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, 2012.

Place : Hyderabad

Date : 23.05.2012

**For P S Nagaraju & Co.,**  
**CHARTERED ACCOUNTANTS**

Sd/-

**CA P S Nagaraju**

Partner

M.No.210268

**VERTICAL INDUSTRIES LIMITED**

(formerly known as LA MANSION GRANITES LIMITED)

**VERTICAL INDUSTRIES LIMITED**

(formerly known as LA MANSION GRANITES LIMITED)

Regd Off : F-106 Nirmal Towers Dwarakapuri Colony, Punjagutta, Hyderabad-500082

**PROXY FORM**

Regd. Folio No. :

No. of Shares Held:

I/We .....  
of.....in 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 22nd Annual General  
Meeting of the Company to be held on Friday, 28th September, 2012 at 10.30 A.M.at the  
registered office of the Company at F-106 Nirmal Towers Dwarakapuri Colony, Punjagutta,  
Hyderabad-500082 and at any adjournment thereof..

Signed this ..... day of ..... Two Thousand Twelve

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.



**VERTICAL INDUSTRIES LIMITED**

(formerly known as LA MANSION GRANITES LIMITED)

Regd Off : F-106 Nirmal Towers Dwarakapuri Colony, Punjagutta, Hyderabad-500082

**ATTENDENCE SLIP**

(Please present this slip at the Meeting Venue)

22nd ANNUAL GENERAL MEETING – 28TH September, 2012

Regd. Folio No. :

No. of Shares Held:

I hereby record my presence at the 22nd ANNUAL GENERAL MEETING of the members of  
the Company held on Friday, 28th September, 2012 at 10.30 A.M. at the registered office of  
the Company at F-106 Nirmal Towers Dwarakapuri Colony, Punjagutta, Hyderabad-500082

Name of the Shareholder: .....

Name of the Proxy: .....

Signature of Member / Proxy: .....

**BOOK - POST**

*If Undelivered, please return to :*  
**VERTICAL INDUSTRIES LIMITED**  
(formerly known as LA MANSION GRANITES LIMITED)  
Regd Off : F-106 Nirmal Towers,  
Dwarakapuri Colony, Punjagutta,  
Hyderabad-500082