

**23<sup>rd</sup>**  

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**Annual Report**  

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**2012 - 2013**

**VERTICAL INDUSTRIES LIMITED**

(formerly known as LA MANSION GRANITES LIMITED)

# **VERTICAL INDUSTRIES LIMITED**

(formerly known as LA MANSION GRANITES LIMITED)

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**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 Third Annual General Meeting** of the members of the Company will be held on Monday 30th September, 2013 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, 2013 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 appoint Director in the place of Sri P.V.V. Subramanyam, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s P.S. Nagaraju & Co, Chartered Accountants, Hyderabad, as Statutory Auditors of the Company to hold the office as such from the conclusion of this Annual General Meeting till the conclusion of

BY THE ORDER OF THE BOARD  
**VERTICAL INDUSTRIES LIMITED**  
(formerly known as LA MANSION GRANITES LIMITED)

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

Date : 12.08.2013  
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 26th September, 2013 to 30th September, 2013 (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. 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. 306, Right Wing, Amrutha Ville, Opp. Yashoda Hospital Rajbhavan Road Somajiguda, Hyderabad – 500 082
7. The information pursuant to Clause 49 of the Listing Agreement with respect to the details of the Directors seeking appointment / re-appointment in this Annual General Meeting :

## **VERTICAL INDUSTRIES LIMITED**

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### **ADDITIONAL INFORMATION**

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

#### **S N LAKSHMI**

Smt S N Lakshmi, aged about 49 years, is the promoter director and daughter of Sri P Janardhan Reddy, Managing Director. She is a commerce graduate and has been associated with the Company since 30th June, 2005. She takes care of Marketing and HR polices of the Company.

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

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

#### **P.V.V. SUBRAMANYAM**

Sri P.V.V. Subramanyam, aged about 44 years, R/o KPHB Colony, Hyderabad has completed Post Graduation in Economics and also Law Graduate. He has more than 10 years of experience in Legal Matters.

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

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

**Shareholding in the Company: Nil**

**DIRECTORS' REPORT**

To  
The Members  
**Vertical Industries Limited**

Your Directors herewith present the **TWENTY THIRD ANNUAL REPORT** together with the Audited Accounts of the company for the financial year ended 31st March, 2013.

**FINANCIAL HIGHLIGHTS:**

The performance of the company for the financial year ended 31st March 2013 is summarized below.  
(₹ In Lakhs)

<b>PARTICULARS</b>	<b>Current Year 31.03.2013</b>	<b>Previous Year 31.03.2012</b>
Gross Revenue	0.00	9.61
Other Income	1.12	0.00
Total Expenditure	16.9	28.92
Profit/Loss before Financial Charges, Depreciation and Taxation	-15.78	-19.31
<b>Less : Financial Charges</b>	0.00	0.00
Depreciation	0.00	0.00
Profit/(Loss) before Tax (PBT )	-15.78	-19.31
<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>	<b>-15.78</b>	<b>-19.31</b>

**OPERATIONS:**

During the year, the Company has not undertaken any major commercial operations. Profit after tax stood at Rs. (15.78) 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 2012-2013, in view of the accumulated losses.

## **VERTICAL INDUSTRIES LIMITED**

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### **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:**

Smt S.N Lakshmi and Sri P.V.V Subramanyam 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 2012-13.

### **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, 2013, 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 2013 -14.

**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 La Mansion Granites Limited)  
Sd/-

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

Date : 12.08.2013  
Place : Hyderabad

# VERTICAL INDUSTRIES LIMITED

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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: Nil  
(on receipts and payments basis)

Particulars	(`. In Lacs)	
	2012-13	2011-12
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	Nil	Nil

By the order of the Board  
**For Vertical Industries Limited**  
(formerly La Mansion Granites Limited)

Sd/-

Date : 12.08.2013

Place : Hyderabad

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

**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, 2013, Board of Directors met 5 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.

16.04.2012	23.05.2012	14.08.2012	09.11.2012	12.02.2013
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The attendance at the Board Meetings conducted during the 12 months period ended 31st March, 2013 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	5	Yes	1	--	--
S N Lakshmi	Promoter & Non-Executive	Director	5	Yes	--	--	--
A Satyanarayana	Non-Executive Independent	Director	5	Yes	--	--	--
P.V.V. Subramanyam	Non-Executive, Independent	Director	5	No	1	--	--
Y Mallikharjuna Rao	Non-Executive, Independent	Director	5	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, 2013, the Audit Committee met 4 times as follows, and all the members were present in each of such meetings.

23.05.2012	14.08.2012	09.11.2012	12.02.2013
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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. REMUNERATION COMMITTEE**

**Terms of Reference:**

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

**Composition**

The committee consists of the following directors :

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

## **VERTICAL INDUSTRIES LIMITED**

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### **Remuneration paid to Directors during the Financial year 2012 -2013 :**

Executive Directors : NIL

Non - Executive Directors : NIL

No meeting of the remuneration committee was held during the financial year 2012-2013.

### **Shareholding of Non-Executive Director:**

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

## **5. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE**

### **Brief description of terms of reference:**

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

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

### **Composition**

The committee consists of the following directors :

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

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

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	7
3	Disposed of during the year	7
4	Remaining unresolved at the end of the year	0

There are no outstanding complaints as on 31st March 2013.

**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
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.
2012	22nd	F-106 Nirmal Towers Dwarakapuri COLONY, Punjagutta, Hyderabad-500082	Friday, 28th September, 2012	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 2012-2013.

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

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- 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 12.08.2013.

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

<b>Annual General Meeting</b>	:	
<b>Day, Date and time</b>	:	30th September,2013 (MONDAY) at 10.30 a.m.
<b>Venue</b>	:	F-106 Nirmal Towers Dwarakapuri Colony Punjagutta, Hyderabad-500082
<b>Financial Year</b>	:	01.04.2012 to 31.03.2013 (12 Months)
<b>Book Closure Date</b>	:	26th September 2013 to 30th September, 2013 (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** : **NIL**

**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, 2013:**

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	250000	3.21
2. Non Institutions		
a. Bodies Corporate	15600	0.20
b. Indian Public	5460400	70.04
<b>Sub-Total</b>	<b>5726000</b>	<b>73.45</b>
<b>GRAND TOTAL</b>	<b>7796000</b>	<b>100.00</b>

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### **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 2012-13.

Sd/-

**P Janardhan Reddy**

Chairman & Managing Director

Place: Hyderabad

Date: 12.08.2013

**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, 2013, 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 : 29.05.2013

# **VERTICAL INDUSTRIES LIMITED**

(formerly known as LA MANSION GRANITES LIMITED)

## **Independent Auditors' Report**

To,  
The Members of  
**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 31,2013, 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 Standardsreferred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("theAct"). This responsibility includes the design, implementation and maintenanceof internal control relevant to the preparation and presentation of the financialstatements that give a true and fair view and are free from materialmisstatement, 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 financialstatements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about theamounts and disclosures in the financial statements. The procedures selecteddepend on the auditor's judgment, including the assessment of the risks ofmaterial misstatement of the financial statements, whether due to fraud or error.In making those risk assessments, the auditor considers internal control relevantto the Company's preparation and fair presentation of the financial statements inorder to design audit procedures that are appropriate in the circumstances. Aaudit also includes evaluating the appropriateness of accounting policies usedand 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.

**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, 2013;
  - 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.

## **VERTICAL INDUSTRIES LIMITED**

(formerly known as LA MANSION GRANITES LIMITED)

- 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, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, 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)

Place : Hyderabad  
Date : 29.05.2013

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

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

**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, 2013.**

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 2012-2013, 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, paragraphs 4 {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.

## **VERTICAL INDUSTRIES LIMITED**

(formerly known as LA MANSION GRANITES LIMITED)

- 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 2012-2013, hence the provisions of Clauses 4 {v (a) & (b)} of the order are not applicable to the Company.
- 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, 2013 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 2012-2013 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.



## **Annual Report 2012 - 2013**

- 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.
- 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, 2013, 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)

Place : Hyderabad  
Date : 29.05.2013

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

**VERTICAL INDUSTRIES LIMITED**

(formerly known as LA MANSION GRANITES LIMITED)

**BALANCE SHEET AS AT 31-03-2013**

(Amount in Rupees)

Particulars	Note No	As at March 31, 2013	As at March 31, 2012
<b>I. SOURCES OF FUNDS:</b>			
<b><u>Share Holders' Funds:</u></b>			
a) Share Capital	1	77,960,000	77,960,000
b) Reserves and Surplus	2	(75,284,555)	(73,706,430)
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	3	2,689,000	1,039,000
b) Deferred tax liabilities (Net)		-	-
c) Other Long term liabilities		-	-
d) Long term Provisions		-	-
<b>4) Current liabilities</b>			
a) Short - term borrowings		-	-
b) Trade payables	4	404,485	404,485
c) Other current liabilities	5	133,500	73,500
d) Short term Provisions		-	-
<b>Total</b>		<b>5,842,430</b>	<b>5,830,555</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		-	-
v) Fixed Assets held for sale		-	-
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	6	5,394,250	5,394,250
c) Trade receivables		-	-
d) Cash and cash equivalents	7	26,833	14,958
e) Short-term loans and advances	8	421,347	421,347
f) Other current assets		-	-
<b>Total</b>		<b>5,842,430</b>	<b>5,830,555</b>
Significant accounting policies	12		
Notes to Accounts	1 to 11		

The notes are an integral part of these 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 : 29.05.2013

For and on behalf of the board

Sd/-

**P. JANARDHAN REDDY**

Chairman &amp; Managing Director

Sd/-

**S. N. LAKSHMI**

Director

## Annual Report 2012 - 2013

### PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31.03.2013

Particulars	Note No	For the year 31-03-2013	For the year 31-03-2012
I. Revenue from Operations	9	-	961,000
II Other Income		112,000	-
<b>III. Total Revenue(I+II)</b>		<b>112,000</b>	<b>961,000</b>
<b>IV. Expenses:</b>			
Cost of Materials Consumed		-	-
Purchases of Stock -in-Trade		-	0
Changes in Inventories of Finished goods		-	835,000
Work in Progress and Stock -in- Trade		-	-
Employee Benefits Expense	10	40,000	63,000
Finance Costs		-	-
Depreciation and Amortization Expense		-	-
Other Expenses	11	1,650,125	1,994,369
<b>Total Expenses</b>		<b>1,690,125</b>	<b>2,892,369</b>
V. Profit/(Loss) Before Exceptional and Extraordinary items and tax		(1,578,125)	(1,931,369)
VI. Exceptional Items		-	-
VII. Profit/(Loss) Before Extraordinary items and tax (V-VI)		(1,578,125)	(1,931,369)
VIII. Extraordinary items		-	-
IX. Profit/(Loss) before tax (VII - VIII)		(1,578,125)	(1,931,369)
X. Tax Expenses			
1) Current tax			
2) Deferred tax		-	-
XI. Profit/(Loss) for the period from continuing operations (After Tax)		(1,578,125)	(1,931,369)
XII. Profit/(Loss) for the period from discontinuing operations (Before tax)		-	-
XIII. Tax Expense of discontinuing operations		-	-
XIV. Profit/(Loss) for the period from continuing operations (after Tax)		-	-
XV. Profit/(Loss) for the period		(1,578,125)	(1,931,369)
XVI. Earning per equity share:			
1) Basic		(0.20)	(0.25)
2) Diluted		(0.20)	(0.25)

The notes are an integral part of these 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 : 29-05-2013

For and on behalf of the board

Sd/-

**P. JANARDHAN REDDY**

Chairman & Managing Director

Sd/-

**S. N. LAKSHMI**

Director

# VERTICAL INDUSTRIES LIMITED

(formerly known as LA MANSION GRANITES LIMITED)

## Notes to the financial statements for the year ended March 31st, 2013 (In Rupees)

1. Particulars	As on 31-03-2013	As on 31-03-2012
<b>Authorised Share Capital;</b> 1,00,00,000 (Previous year : 10,00,000) Equity shares at Rs. 10 each	10,00,00,000	10,00,00,000
	10,00,00,000	10,00,00,000
<b>Issued, Subscribed and Fully paid Shares;</b> 77,96,000 (Previous year : 77,96,000) Equity shares at Rs. 10 each	77,960,000	77,960,000
<b>TOTAL</b>	<b>77,960,000</b>	<b>77,960,000</b>

1.1 Reconciliation of number of shares	No. of Shares	
<b>EQUITY SHARES</b>		
Balance at the beginning of the year	7,796,000	7,796,000
77,96,000 (Previous year:77,96,000) shares of Rs.10/- each.	-	-
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 etc.,	-	-
<b>Balance at the end of the year</b> <b>77,96,000 (Previous year: 77,96,000) shares of Rs.10/- each</b>	<b>7,796,000</b>	<b>7,796,000</b>

### 1.2 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.

### 1.3 Details of share held by shareholders holding more than 5% of the aggregate shares in the company:

Name of the share holder	As at March 31, 2013		As at March 31, 2012	
	Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding
P. Janardhan Reddy	555,000	7.12	555,000	7.12
<b>Total</b>	<b>555,000</b>	<b>7.12</b>	<b>555,000</b>	<b>7.12</b>

## Annual Report 2012 - 2013

2	Reserves and Surplus	As at April 1, 2012	Additions	Deletions	As at March 31, 2013
	Capital Reserve	4,983,272	-	-	4,983,272
	Profit and Loss Account	(78,689,702)	(1,578,125)	-	(80,267,827)
	<b>Total</b>	<b>(73,706,430)</b>	<b>(1,578,125)</b>	<b>-</b>	<b>(75,284,555)</b>
3	Long-Term Borrowings	As at March 31, 2013		As at March 31, 2012	
	Loan from Other parties	1,039,000		-	
	Add; Accepted during the year;	1,650,000		2,000,000	
	Less: Paid during the Year	-		(961,000)	
	<b>Total</b>	<b>2,689,000</b>		<b>1,039,000</b>	
4	Trade Payables	As at March 31, 2013		As at March 31, 2012	
	Sundry Creditors for Purchases	404,485		404,485	
	<b>Total</b>	<b>404,485</b>		<b>404,485</b>	
5.	Other Current Liabilities	As at March 31, 2013		As at March 31, 2012	
	Payment to Auditors	-		60,000	
	Sundry Creditors for Expenses	73,500		73,500	
	<b>Total</b>	<b>73,500</b>		<b>133,500</b>	
6	Changes in Inventories of Finished goods, Work in Progress and Stock in Trade	As at March 31, 2013		As at March 31, 2012	
	<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		5,022,542	
	<b>Total (i)</b>	<b>5,394,250</b>		<b>5,394,250</b>	
	<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	5,022,542		5,857,542	
	<b>Total (ii)</b>	<b>5,394,250</b>		<b>6,229,250</b>	
	<b>iii) Net (Increase)/Decrease[(i)-(ii)]</b>	<b>-</b>		<b>835,000</b>	

**VERTICAL INDUSTRIES LIMITED**

(formerly known as LA MANSION GRANITES LIMITED)

<b>7</b>	<b>Cash and Cash Equivalents</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
	Cash in Hand	26,833	-
	Balances in Current Accounts with Scheduled Banks	-	14,958
	<b>Total</b>	<b>26,833</b>	<b>14,958</b>
<b>8</b>	<b>Loans and Advances</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
	<b>Others;</b>		
	Advances Recoverable in cash or in kind (Unsecured Considered good)	421,301	421,301
	Customs and Excise Deposits	46	46
	<b>Total</b>	<b>421,347</b>	<b>421,347</b>
<b>9</b>	<b>Revenue from Operations</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
	<b>Sale of Products;</b>		
	Manufactured Goods	-	961,000
	<b>Total</b>	<b>-</b>	<b>961,000</b>
<b>10</b>	<b>Employee Benefit Expenses</b>	<b>For The year 31.3.2013</b>	<b>For The year 31.3.2012</b>
	Salaries and Wages	40,000	63,000
	<b>Total</b>	<b>40,000</b>	<b>63,000</b>
<b>11</b>	<b>Other Expenses</b>	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>
	Administrative Expenses	1,530,162	90,609
	BSE Fees	58,463	1,833,740
	ROC Filing Fees	-	10,020
	Payment to Auditors	20,000	60,000
	Miscellaneous Expenses	41,500	-
	<b>Total</b>	<b>1,650,125</b>	<b>1,994,369</b>

**12. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES & PRACTICES:**

(Annexed to and forming part of the financial statements for the year ended 31st March, 2013)

**1. 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. Recognition of 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:**

There is no fixed asset for the company. Hence AS-10 "Accounting for Fixed assets" is not applicable for this year.

**4. Method of Depreciation:**

There is no depreciation on Fixed Assets; hence AS-6 "Accounting for depreciation" is not applicable for this year.

**5. Valuation of 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. 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:**

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.

**(II). 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.

## **VERTICAL INDUSTRIES LIMITED**

(formerly known as LA MANSION GRANITES LIMITED)

2. The balances of Sundry Debtors, Loans and Advances are subject to confirmation.
3. There are no Contingent Liabilities payables by the company as on the date of the Balance Sheet.
4. Remuneration to Auditors for FY 2012-2013 is Rs.20,000/-.
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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(Signatories to Notes 1 to 11)  
As per our Report of Even date attached  
**For P. S. NAGARAJU & CO.,**  
Chartered Accountants

For and on behalf of the board  
**VERTICAL INDUSTRIES LIMITED**  
(formerly known as La Mansion Granites Limited)

Registration No: 011447S

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

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

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

Place : Hyderabad  
Date : 29.05.2013



## Annual Report 2012 - 2013

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

(In Rupees)

S. No.	Particulars	For the year Ended 31-03-2013	For the year Ended 31-03-2012
<b>A.</b>	<b>Cash Flow from Operating Activities</b>		
	Net Profit before Income Tax	(1,578,125)	(1,931,369)
	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	(1,578,125)	(1,931,369)
	Capital Changes		
	Adjustments for ::		
	Decrease / (Increase) in Trade & other receivables	-	-
	Decrease / (Increase) in Current Liabilities	(60,000)	60,000
	Decrease / (Increase) in Inventories	0	835,000
	(Decrease) / Increase in Working Capital Finance	-	-
	<b>Cash Generated from Operations</b>	<b>(1,638,125)</b>	<b>(1,036,369)</b>
	Interest on Working Capital	-	-
	Cash Flow before Extra Ordinary Items	(1,638,125)	(1,036,369)
	Extra Ordinary Items	-	-
	Net Cash Flow from operating activities	(1,638,125)	(1,036,369)
	Taxes Paid	-	-
	Net Cash Flow from operating activities	(1,638,125)	(1,036,369)
<b>B</b>	<b>Cash Flow from Investing activities</b>		
	Net Cash (Used in) / from Investing Activities (B)	-	-
<b>C</b>	<b>Cash Flow from Financing Activities</b>		
	(Increase) / Decrease in Unsecured Loans	1,650,000	1,039,000
	(Increase) / Decrease in Long Term Borrowings	-	-
	Net Cash (Used in)/ From Financing Activities (C)	1,650,000	1,039,000
	Net Increase in Cash and Equivalents (A-(B+C))	11,875	2,631
	Cash and Cash Equivalents (Opening Balance)	14,958	12,327
	Cash and Cash Equivalents (Closing Balance)	26,833	14,958

For & on behalf of the Board of Directors

Sd/-

Sd/-

Place : Hyderabad

**P Janaradhan Reddy**

**S N Lakshmi**

Date : 29.05.2013

Chairman & Managing Director

Director

#### AUDITORS CERTIFICATE

We have examined the above cash flow statement of VERTICAL INDUSTRIES LIMITED, Hyderabad for the year ended 31st March, 2013. 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, 2013.

Place : Hyderabad

Date : 29.05.2013

**For P S Nagraju & Co.,**  
CHARTERED ACCOUNTANTS  
Firm Registration No: 011447S

Sd/-

**CA P S Nagraju**

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 23rd Annual General  
Meeting of the Company to be held on Monday, 30th September, 2013 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 Thirteen

Affix Revenue Stamp

Note: This Proxy Form duly completed should be deposited at the Registered Office of the Company not less than  
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

**ATTENDANCE SLIP**

(Please present this slip at the Meeting Venue)

23rd ANNUAL GENERAL MEETING – 30th September, 2013

Regd. Folio No. :

No. of Shares Held:

I hereby record my presence at the 23rd ANNUAL GENERAL MEETING of the members of  
the Company held on Monday, 30th September, 2013 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: .....

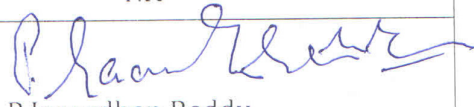
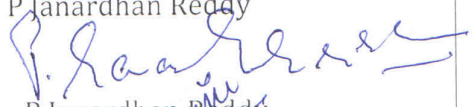
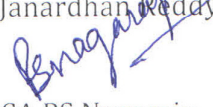
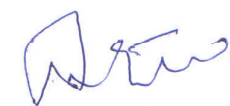
Signature of Member / Proxy: .....

**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

**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	31.03.2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	NA
5.	To be signed by- <ul style="list-style-type: none"><li>• Managing Director</li><li>• CFO</li><li>• Auditor of the Company</li><li>• Audit Committee Chairman</li></ul>	 P Janardhan Reddy  P Janardhan Reddy  CA PS Nagaraju Partner M.No. 210268 P S Nagaraju & Co Chartered Accountants.  A Satyanarayana