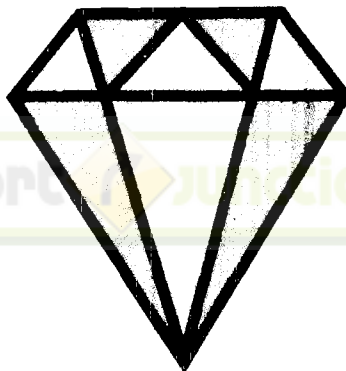


9th Annual Report 1997-98

MD	✓		BKC	✓
CS	✓		DPY	✓
RO	✓		DIV	✓
TRA	✓		STI	✓
AGM	✓	✓		✓
YE	✓	✓		✓



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Vajra Granites Limited

Vajra Granites Limited



BOARD OF DIRECTORS :

V.N. Nadkarni, Chairman
L. Hanumanth Reddy
Y. Kesava Krishna (Nominee of APIDC)
R.S. Vidya Sagar (Nominee of IDBI)
B.N. Reporter
M. Chandra Bhushan, Executive Director
A. Hanimi Reddy, Managing Director

SECRETARY :

S. Suryanarayana

REGISTERED OFFICE :

6-3-456/23, 2nd Floor,
Dwarakapuri Colony,
Punjagutta,
Hyderabad - 500 082.

WORKS :

Basvapur Village,
Bhikanoor Mandal,
Kamareddy Taluq,
Nizamabad District,
Andhra Pradesh.

BANKERS:

State Bank of India,
Industrial Finance Branch,
Rajbhavan Road, Somajiguda,
Hyderabad 500 082.

Bank of Baroda,
Masab Tank Branch,
Banjara Hills,
Hyderabad - 500 034.

AUDITORS :

I.Sudhakar & Co.,
Chartered Accountants,
Flat No. 204, Amrutha Ville,
Rajbhavan Road,
Hyderabad - 500 082.



Vajra Granites Limited

NOTICE

Notice is hereby given that the Nineth Annual General Meeting of Vajra Granites Limited will be held on Saturday the 26th September, 1998 at 11.30 a.m. at Munnur Kapu Trust Bhavan, Myadam Anjaiah Hall, 3-3-43, Kachiguda Station Road, Hyderabad-500 027 (A.P.) to transact the following items of business:

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the audited Profit & Loss Account for the year ended 31st March, 1998 and the Balance Sheet as at that date, together with the Directors' and Auditors' Reports thereon;
- 2) To appoint a Director in place of Sri L. Hanumanth Reddy, who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint a Director in place of Sri B.N. Reporter, who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To re-appoint Auditors, M/s. I. Sudhaker & Co., Chartered Accountants, 204, Amrutha Ville, Rajbhavan Road, Somajiguda, Hyderabad (A.P.) to hold office from conclusion of the 9th Annual General meeting until the conclusion of the next Annual General Meeting and authorise the Board of Directors to determine their remuneration in addition to the payment for their other services and reimbursement of actual out of pocket expenses, if any.

By order of the Board of Directors
for **VAJRA GRANITES LIMITED**

Place: HYDERABAD
Date : 24th June, 1998

A. HANIMI REDDY
Managing Director

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxies to be effective, must be deposited with the Company at its Registered Office not later than 48 hours before the commencement of the meeting.

2. The Register of Members and the Share Transfer Books of the company will remain closed from 16th September, 1998 to 26th September, 1998 (both days inclusive).
3. Members are requested to intimate any change in the address to the Company's Registered Office for updating its records.

Vajra Granites Limited



DIRECTORS' REPORT

Your Directors have pleasure in presenting the Ninth Annual Report and Audited statement of accounts of the company for the financial year ended 31st March, 1998.

FINANCIAL RESULTS

(Rs. in lacs)

	Year ended 31.3.1998	Year ended 31.3.1997
Sales and other Income	1014.50	829.09
Profit before Depreciation & Int. & fin. charges etc.	294.54	258.38
Less: Depreciation	74.04	71.00
Interest	186.16	163.32
Profit/(Loss) before taxation :	34.34	24.06
Less: Provision for taxation	-	-
Profit/(Loss) for the year	34.34	24.06
Adjustments relating to previous year	-2.32	0.82
Profit/(Loss) brought forward from previous year	72.43	47.55
Surplus Carried to Balance Sheet (* excludes a state subsidy of Rs.15 lakhs)	104.45*	72.43*

OPERATIONS:

The Company recorded a sales turnover of Rs.1013.48 lakhs during the year ended 31st March, 1998 as against Rs.802.81 lakhs for the earlier year ended 31st March, 1997. This accounts for an increase in sales by Rs.210.67 lakhs i.e. by 26.24% over that of the year 1996-97. As a result the net profit during the year, after providing for interest, depreciation and other charges, increased to Rs.34.34 lakhs from Rs.24.06 lakhs in the year 1996-97. Further, it is hoped that with the incentive of the reduced rates of interest recently announced by the Govt. of India for the EOUs like yours on their incremental- export-related working capital needs, other things remaining same, the profitability of your company in the year to come might still go up. However, with a view to conserve the internal resources for meeting the growing working capital requirements of the company, your directors for this year also do not recommend payment of any dividend.

MARKETING:

Thanks to the maintenance of quality of your company's products and strict adherence to the delivery schedules, your company continues to get repeated orders from all its existing customers in the United States of America, Hong Kong, Singapore, Australia, New Zealand, England etc.

QUARRIES:

Your Company successfully identified both within and outside the state a few quarries of premium colours like Black, Red, Green etc. which are in great demand in the international market. Besides the long time arrangements, your company already had for supply of premium colours like Black Galaxy, Red Multi, Paradiso, Green etc., it is making similar arrangements to meet its requirement of other fast moving colours as well. Further, your company's quarrying activities in the state of Orissa are to become operational very soon. With all this your company should be able to meet in full its increased raw material requirement.



Vajra Granites Limited

DISCLOSURE AS PER THE LISTING AGREEMENT:

Clause 32:

In due compliance of the clause the Cash Flow Statement prepared in accordance with the requirements prescribed by SEBI is appended to this Annual Report.

INDUSTRIAL RELATIONS:

Industrial relations remained cordial during the year.

DIRECTORS:

Sri L. Hanumanth Reddy and Sri B.N. Reporter, directors of the company are retiring by rotation and being eligible offer themselves for re-appointment.

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

The information in accordance with the provision of section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 is given in the annexure forming part of this report.

DEPOSITS:

The Company has not accepted any deposits from the public during this year.

AUDITORS:

M/s. I. Sudhaker & Co., Chartered Accountants retire at the ensuing Annual General Meeting and being eligible have indicated their availability for re-appointment for the year 1998-99.

PARTICULARS OF EMPLOYEES:

There is no employee in the Company whose particulars are required to be given pursuant to section 217(2A) of the Companies Act, 1956.

ACKNOWLEDGEMENT:

Your Directors thank the Government authorities, I.D.B.I., I.C.I.C.I., I.F.C.I., State Bank of India, customers and suppliers for their kind co-operation interest and support. The Directors also place on record their appreciation to all the employees for their dedicated service during the year.

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

Place: Hyderabad
Date : 24th June 1998

V.N. NADKARNI
Chairman

Vajra Granites Limited



ANNEXURE TO DIRECTORS' REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO SECTION 217 (1)(e) OF THE COMPANIES ACT, 1956.

A) CONSERVATION OF ENERGY:

The company runs its plant with 100% captive diesel generating power uninterruptedly at present. The conservation of energy and improvement in energy environment is an ongoing activity in the company and every effort is made in that direction.

B) TECHNOLOGY ABSORPTION, ADOPTION & INNOVATION:

Being a 100% Export Oriented Unit, the company needs to lay great emphasis on quality coupled with wide range of colours. Experienced geologists and engineers are employed by the company to identify new colours and varieties and to bring about improvement in the quality of the products. With the existing services of the qualified personnel, the company keeps itself abreast of the technical development and changes occurring in the industry. Every effort is being made to eliminate wastage in all operations.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

- i) Activities relating to exports: Being a 100% export oriented unit, company exports its entire production to the international market.
- ii) The company is exporting its products to Hongkong, Singapore, Australia, New Zealand, England and U.S.A. The company is further expanding its market base by exploring markets in other countries, where the demand for granite product is growing.
- iii) Total Foreign Exchange used and Earned:

	<u>1997-98</u>	<u>1996-97</u>
A. EARNINGS		
FOB Value of Exports	8,31,52,930	6,31,06,667
B. EXPENDITURE		
a) CIF value of imported capital goods	_____	_____
b) CIF value of imported consumables & Spares	1,92,16,874	1,47,05,019
c) Overseas Travel	_____	_____

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

Place: Hyderabad
Date : 24th June 1998

V.N. NADKARNI
Chairman



Vajra Granites Limited

AUDITORS' REPORT

To
The Shareholders of
Vajra Granites Ltd.,
Hyderabad, A.P.

We have audited the attached Balance Sheet of Vajra Granites Ltd., Hyderabad, (A.P) as at 31st March, 1998 and the Profit & Loss Account for the year ended on that date annexed thereto and report that:

1. As required by the manufacturing and other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. 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 it appears from our examination of those books.*
c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the Books of Account.
d) In our opinion, and to the best of our informations and according to the explanations given to us the accounts read in conjunction with the notes thereon give the information as required by the Companies Act, 1956 in the manner so required and give a true and fair view.
 - i) In the case of Balance Sheet of the State of Affairs as on 31st March, 1998.
 - ii) In the case of Profit & Loss account of the Profit for the year ended on that date.

For I. SUDHAKER & CO.,
Chartered Accountants,

Sd/-

(I. SUDHAKER)

Proprietor

Place : Hyderabad

Date : 24th June, 1998