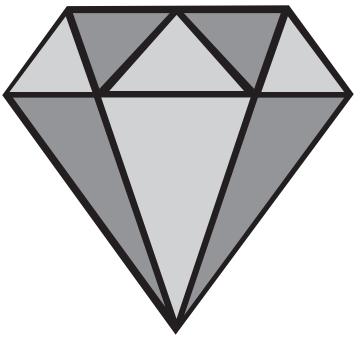
# Sri Vajra Granites Limited



## 25th Annual Report 2013-14

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# SRI VAJRA GRANITES LIMITED

CIN: L14102TG1989PLC009590

**BOARD OF DIRECTORS:**

| | | |
|---|---|---|
| **SRI KOMPELLA SURYA KAMESWARA SARMA** | : | Chairman |
| **SRI SRINIVAS REDDY ANNAPUREDDY** | : | Managing Director |
| **SRI SAYA REDDY CHENNOLLA** | : | Director |
| **SRI RANGA REDDY METTU** | : | Director |
| **SMT LEELA ANNAPAREDDY** | : | Director |

**AUDITORS:** : **M/s. I. Sudhaker & Co.,**
Chartered Accountants
H. No. 6-3-1091/13 to 15, Flat No. 115
Amrutha Ville, Rajbhavan Road
Somajiguda, Hyderabad – 500 082

**BANKERS:** : **Andhra Bank**
Kamareddy Branch
Kamareddy – 503 111

**REGISTERED OFFICE & WORKS:** : H. No. 6-3-347/22/10/2, Flat No. 202
IInd Floor, Sai Villa Apartment
Dwarkapuri Colony, Punjagutta
Hyderabad – 500 082
Tel : 040-23355695
Fax: 040-23352830
E-mail ID : srivajragranites@gmail.com
Website : www.srivajragranites.com

**REGISTRARS & TRANSFER AGENTS** : **M/s. Big Share Services PVT. LTD.,**
306, 3rd Floor, Right Wing
Amrutha Ville, Opp. Yashoda Hospital
Raj Bhavan Road, Somajiguda
Hyderabad – 500 082

**WORKS** : Basvapur Village,
Bhikanoor Mandal,
Kamareddy Taluq,
Nizamabad District,
Telangana.

## NOTICE

NOTICE is hereby given that the **Twenty Fifth Annual General Meeting** of the Members of the Company will be held on **MONDAY, 29TH SEPTEMBER, 2014** at **11:30 A. M.** at H. No. 1-8-1/B/25/A, Sundarayya Vignana Kendram, Baghlingampally, Hyderabad – 500 044 to transact the following items of business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2014 and the statement of Profit and Loss account for the year ended on that date and the Report of Directors' and the Auditors thereon.
2. To appoint a Director in place of Smt. Leela Annapareddy who retires by rotation being eligible offer herself for re-appointment.
3. To appoint Auditors to hold the office from the conclusion of this AGM until the conclusion of Twenty Eighth Annual General Meeting to be held in 2017 and to fix their remuneration for the financial year ended 31st March, 2015.

**SPECIAL BUSINESS:**

**4. TO APPOINT MR. SRINIVAS REDDY ANNAPUREDDY AS MANAGING DIRECTOR OF THE COMPANY:**

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

**"RESOLVED THAT** in accordance with the provisions of Sections 196, 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the rules made there under, if any, consent of the Company be and is hereby accorded for re-appointment of Mr. Srinivas Reddy Annapureddy (DIN: 01253937) as Managing Director of the Company, for a period of 5 (Five) years with effect from 09th April, 2014 at a remuneration of ₹ 8,50,000 (Rupees Eight Lakhs Fifty Thousand Only) per annum with such yearly increment on time scale basis as may be decided by the Board, provided that such remuneration anytime does not exceed the limits specified under Section 197 read with Schedule V of the Act."

**"FURTHER RESOLVED THAT** the Board of Directors of the Company or any committee thereof be and is hereby also authorized to amend, alter, modify or otherwise vary the terms and conditions of appointment of Mr. Srinivas Reddy Annapureddy, Managing Director, including the components of the above mentioned remuneration payable to him subject to provisions of the Act."

**5. TO APPOINT MR. KOMPELLA SURYA KAMESWARA SARMA AS AN INDEPENDENT DIRECTOR ON THE BOARD:**

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

**"RESOLVED THAT** pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules framed there under read with Schedule IV to the Act, Mr. Kompella Surya Kameswara Sarma (DIN: 02780553) a Non-Executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment as an Independent Director, be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office from 29th September, 2014 to 28th September, 2019."

**6. TO APPOINT MR. SAYA REDDY CHENNOLLA AS AN INDEPENDENT DIRECTOR ON THE BOARD:**

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

**"RESOLVED THAT** pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules framed there under read with Schedule IV to the Act, Mr. Saya Reddy Chennolla (DIN: 00105513) a Non-Executive Independent Director of the Company, who

has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment as an Independent Director, be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office from 29th September, 2014 to 28th September, 2019."

**7. TO APPOINT MR. RANGA REDDY METTU AS AN INDEPENDENT DIRECTOR ON THE BOARD:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as **ORDINARY RESOLUTION:**

**"RESOLVED THAT** pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules framed there under read with Schedule IV to the Act, Mr. Ranga Reddy Mettu (DIN: 02170153) a Non-Executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment as an Independent Director, be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office from 29th September, 2014 to 28th September, 2019."

**8. TO AUTHORISE THE BOARD TO MORTGAGE AND/OR CREATE CHARGE:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as **SPECIAL RESOLUTION:**

**"RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, under the Companies Act, 2013 and the rules made there under, consent of the Company be and is hereby accorded to the Board of Directors of the Company to mortgage and/or create charge on all or any of the movable or immovable properties both present and future or the whole or substantially the whole of the undertaking or undertakings for securing the loans to be availed by the Company."

For and on behalf of the Board
For SRI VAJRA GRANITES LIMITED

Place: Hyderabad
Date: 30.08.2014

Sd/-
KOMPELLA SURYA KAMESWARA SARMA
Chairman

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member.

   The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.

2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the business in Item No. 4 to 8 is annexed hereto.

3. The Register of Members and Share transfer books of the Company will remain closed from **Tuesday, 23rd September, 2014 to Monday, 29th September, 2014.** (both days inclusive)

4. Members are requested to quote ledger folio number in all their correspondence to avoid delay in communication. Members are advised to consolidate their ledger folios where they are holding shares in different folios in the same name.

5. Additional information pursuant to Clause 49 of the Listing Agreement with Stock Exchange in respect of Directors seeking appointment/re-appointment at the AGM are furnished and forms a part of Notice. The Directors have furnished the requisite concents /declarations for their appointment/re-appointment.

6. In terms of sections 101 and 136 of the Companies Act, 2013 read together with the Rules made there under, the listed companies may send the notice of annual general meeting and the annual report, including Financial statements, Board Report, etc., by electronic mode. The Company is accordingly forwarding soft copies of the above referred documents to all those members who have registered their email ids with their respective depository participants or with the share transfer agent of the Company.

7. **To promote green initiative, members are requested to register their e-mail addresses through their Depository Participants for receiving the future communications by e-mail. Members holding the shares in physical form may register their e-mail addresses through the RTA, giving reference of their Folio Number.**

8. Members/Proxies should bring the duly filled Attendance slip enclosed herewith to attend the Meeting.

9. **Voting through electronic means:**

   I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing facility to the members to exercise their right to vote at the 25th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting platform provided by Karvy Computershare Pvt. Ltd. ('Karvy').

   **The instructions for e-voting are as under:**

   i. Use the following URL for e-voting: Karvy website: http://evoting.karvy.com

   ii. Shareholders of the Company holding shares either in physical form or in dematerialized form, as on **30th August, 2014** may cast their vote electronically.

   iii. Enter the login credentials i.e. User ID and password mentioned in the attendance slip attached with the Annual Report. Please follow the instructions given in the e-voting portal.

   iv. After entering the details appropriately, click on LOGIN.

   v. You will reach the Password change menu wherein you are required to mandatorily

change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email, etc., on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

vi. You need to login again with the new credentials.

vii. On successful login, the system will prompt you to select the EVENT, i.e. Sri Vajra Granites Limited.

viii. On the voting page, enter the number of shares as on the date of voting under FOR/AGAINST or You may also choose the option ABSTAIN.

ix. Shareholders holding multiple folios/demat account shall choose the voting process separately for each folios/demat account.

x. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm, else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.

xi. Once the vote on the resolution is cast by the shareholder, he shall not be allowed to change it subsequently.

xii. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s) who are authorized to vote, to the Scrutinizer at e-mail ID: vasanth@vkbajajassociates.com with a copy marked to evoting@karvy.com and srivajragranites@gmail.com. They may also upload the same in the evoting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO"

xiii. The Portal will be open for voting from **9 A.M. on 23rd September, 2014 to 6 P.M. on 25th September, 2014.**

xiv. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of http://evoting.karvy.com or contact Karvy Computershare Pvt. Ltd. at Tel No. 1800 345 4001 (toll free).

II. The Company has appointed Mr. Vasanth Kumar Bajaj, Practicing Company Secretary, as the Scrutinizer who will collate the electronic voting process in a fair and transparent manner.

III. The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

IV. The results shall be declared on or after the AGM of the Company. The results alongwith the Scrutinizer's Report shall be placed on the Company's website and on the website of Karvy.

10. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours **(9 A.M. to 5 P.M.)** on all working days except Saturdays and Sundays, up to and including the date of the Annual General Meeting of the Company.

11. A Copy of this notice has been placed on the website of the Company and the website of Karvy.

## EXPLANATORY STATEMENT

*(Pursuant to Section 102 of the Companies Act, 2013)*

**Item No. 4:**

Members are requested to note that Mr. Srinivas Reddy Annapureddy was appointed as Managing Director of the Company for term of 5 years w.e.f. 09.04.2009, as his term of appointment about to expire, Board of Directors at their meeting held on 06th February, 2014 have approved, subject to approval of Members, the re-appointment of Mr. Srinivas Reddy Annapureddy as the Managing Director of the Company for another term of 5 years with effect from 09.04.2014 to 08.04.2019 under the effective provisions of the Companies Act, 2013 at remuneration payable of ₹ 8,50,000/- (Rupees Eighth Lakhs Fifty Thousand Only) subject to review by the board on time scale basis as recommended by the Remuneration Committee of the Company.

Board of Directors herewith confirm that the aggregate of the salary and perquisites proposed to be paid in any financial year to Mr. Srinivas Reddy Annapureddy will be within the limits prescribed under sections 197 read with Schedule V and other applicable provisions of the Companies Act, 2013. Hence resolution is proposed to be passed under the provisions of new Act.

As any payment of remuneration to managerial persons requires approval of members at General meeting hence approval of the members is being sought to the terms, conditions and stipulations for the appointment and remuneration of Mr. Srinivas Reddy Annapureddy as the Managing Director.

**Minimum Remuneration:**

In the event of loss or inadequacy of profits, in any financial year during the currency of tenure of office, the payment of remuneration shall be governed by the limits prescribed under section II of part II of Schedule V to the Companies Act, 2013, including any statutory modification or re-enactment thereof, for the time being in force.

**Statement pursuant to Schedule-V of the Companies Act, 2013**(Schedule XIII of the Companies Act, 1956):

**I. GENERAL INFORMATION:**

**Nature of Industry:**

Sri Vajra Granites Limited is engaged in the manufacture of polished slabs only. It is a 100% Export Oriented Unit.

**Date of Commencement of Commercial Production:**

The Company was incorporated in the year 1989 and is already in commercial production for long.

**Financial Performance of the Company:**

| PARTICULARS | 2013-14 |
|---|---|
| **Income** | |
| Revenue from operations | 753.20 |
| Other Income | 4.65 |
| **Total Income** | **757.86** |
| **Total Expenditure** | **1,111.76** |
| **Net Profit/(Loss) before tax** | **(353.90)** |
| Provision for taxation | 0.00 |
| **Net Profit/(Loss) after tax** | **(353.90)** |

**Foreign investments or Collabarotions: NIL**

**I. INFORMATION ABOUT APPOINTEE:**

**Background details:** Mr. Srinivas Reddy Annapureddy holds a Master's degree in Computer Science from USA.

**Job Profile & Suitability:**

He is responsible for overall supervision of the functioning of the company including Products, Procurement, Marketing, handling day to day affairs of the Company, regularly reporting to the Board on the activities of the Company. He is Managing Director of the Company since 2009 and has experience more than 7 year in Management & Adminstation Granite Industry and well versed in Computer Management Control

**Remuneration Proposed:**

The proposed remuneration of ₹8,50,000/- (Rupees Eighth Lakhs Fifty Thousand Only), comprise of monthly basic salary and all other perquisites and is fully justifiable and profile with respects to comparable to that prevailing in the industry, keeping in view the profile and the position of Managing industry, size of the Company.

**Pecuniary relationship:** Mr. Srinivas Reddy Annapureddy is one of the Promoter and Mrs. Leela Annapareddy is mother of Mr. Srinivas Reddy Annapureddy.

**I. OTHER INFORMATION:**

**Reasons for loss or inadequate profits:**

Major reason being that 80% to 90% are small Quarries and non-captive and they are under no control as to the disposal of the rough blocks of the Granite with them. They can directly export the raw material unprocessed. Due to this Company is denied the supply of raw materials and there is under-employment of Plant's permanent costly foreign machinery, permanent labour, incidence of administrative costs, financial costs etc. added with ongoing inflation, the plant's input costs are also mounting up.

**Steps taken or proposed to be taken for improvement:**

The Company undertook several steps aimed at lowering the overheads and aligning resources with current levels of operations. The company consolidated all its manufacturing facilities to cut down on overheads and to extract supply chain synergies last year. Company

will try to get captive mining license to improve supply of raw materials.

The Company continues to focus on product innovation, upholding of its high quality standards, increase in its cost competitiveness and on widening of its distribution network.

**Expected Increase in productivity and profits in measurable terms:**

The management has adopted focused and aggressive business strategies in all spheres of functions to improve the sales and profitability of the Company. Considering the present business scenario, the Company is expecting increase in revenue and profitability. The Management is confident of keeping a higher growth ratio in the period to come.

**II. DISCLOSURES:**

The details of remunerations and other information is given in the Corporate Governance part of the Directors' Report. Except Mr. Srinivas Reddy Annapureddy and Mrs. Leela Annapareddy, None of the other directors are interested or concerned in the proposed resolution.

**Item No. 5 to 7:**

Mr. Kompella Surya Kameswara Sarma, Mr. Saya Reddy Chennolla and Mr. Ranga Reddy Mettu are Independent Director of the company and were appointed at various times.

With the enactment of the Companies Act, 2013 ('Act') it is now incumbent upon every listed company to appoint 'Independent Director' as defined in Section 149 of the Act, which has been notified w.e.f 1st April 2014, for term of 5 years and are not liable to retire by rotation. Further they can be re-appointed for another term of 5 Years on passing of special resolution by the members. The term will be counted from date of commencement of Companies Act, 2013.

However pursuant to amendment to clause 49 of the Listing Agreement, any Independent Directors existing on board, prior to commencement of the act, for 5 or more years shall be appointed for not more than 1 term of 5 years, thus all existing independent directors on the board of the company having completed term of more than 5 Years, it is proposed to re-appoint them as Independent Director for 1 term of 5 years.

The Company has received declarations from Mr. Kompella Surya Kameswara Sarma, Mr. Saya Reddy Chennolla and Mr. Ranga Reddy Mettu confirming that they meet criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clasue 49 of the listing Agreement. Brief profile of Mr. Kompella Surya Kameswara Sarma, Mr. Saya Reddy Chennolla and Mr. Ranga Reddy Mettu is annexed to this Report.

The Board of Directors of your Company, after reviewing the provisions of the Act, are of the opinion that Mr. Kompella Surya Kameswara Sarma, Mr. Saya Reddy Chennolla and Mr. Ranga Reddy Mettu fulfill the conditions specified in the Act and the Rules made there under to be eligible to be appointed as an Independent Director pursuant to the provisions of section 149 of the Act and Clause 49 of the Listing Agreement. Further as per the declarations received by the Company, they are not disqualified under Section 164 of the Companies Act, 2013. Hence the Board of Directors of your Company is also of the opinion that Mr. Kompella Surya Kameswara Sarma, Mr. Saya Reddy Chennolla and Mr. Ranga Reddy Mettu are independent of the management of the Company.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of the above said Directors as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of said Directors as an Independent Director pursuant to provisions of section 149 read with schedule IV of the Act and Clause 49 of the listing agreement for the approval by the shareholders of the Company.

Pursuant to provisions of Section 149(10) of the Act, appointment of independent Directors for term as set forward in the notice requires approval of members by passing of an Ordinary Resolution, hence these Resolutions at Item Nos. 05, 06, 07 of the Notice commended for approval of members.

Except Mr. Kompella Surya Kameswara Sarma, Mr. Saya Reddy Chennolla and Mr. Ranga Reddy Mettu who are interested in their respective resolutions, None of the other Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions.

**Item No. 8:**

Your Directors has from time to time mortgaged and/or charged its all or any of the movable or immovable properties both present and future or the substantially whole of the undertaking for securing the loans availed by the Company from time to time.

As per the provisions of Section 180(1)(a) Companies Act, 2013, the above powers of the Board are required to be exercised only with the consent of the Company by a Special Resolution. Hence this resolution is commended for your approval.

None of the Directors is interested in this resolution.

For and on behalf of the Board
For **SRI VAJRA GRANITES LIMITED**

Place: Hyderabad
Date: 30.08.2014

Sd/-
**KOMPELLA SURYA KAMESWARA SARMA**
Chairman

**Additional information on Directors recommended for appointment / re-appointment as required under Clause 49 of the Listing Agreement.**

| Name of Director | SRI SRINIVAS REDDY ANNAPUREDDY |
|---|---|
| Date of Birth | 14.11.1980 |
| Date of First Appointment | 30.01.2007 |
| Experience in Specific Functional Area | He is managing Director of the Company since 2009 and has experience of more than 7 years in Management & Administration Granite Industry and well versed in Computer Management Control |
| No. of Shares held in the company | 6,68,545 Fully Paid-up Equity Shares of 10/- each |
| Educational Qualification | M.S. in Computer Science, USA |

| Name of Director | LEELA ANNAPAREDDY |
|---|---|
| Date of Birth | 01.01.1957 |
| Date of First Appointment | 29.09.2009 |
| Experience in Specific Functional Area | Very good knowledge of various aspect of Granite Industry and experience of more than decade in the Company |
| No. of Shares held in the company | 7,26,893 Fully Paid-up Equity Shares of 10/- each |
| Educational Qualification | P.U.C |

| Name of Director | SRI KOMPELLA SURYA KAMESWARA SARMA |
|---|---|
| Date of Birth | 26.08.1930 |
| Date of First Appointment | 30.06.2009 |
| Experience in Specific Functional Area | Experience in Auditing, Accounting, Finance and Management areas for the past 53 years. |
| No. of Shares held in the company | Nil |
| Educational Qualification | B.Com., FCA |

| Name of Director | SRI SAYA REDDY CHENNOLLA |
|---|---|
| Date of Birth | 03.02.1947 |
| Date of First Appointment | 28.10.2005 |
| Experience in Specific Functional Area | Well versed in Administrative matters. |
| No. of Shares held in the company | Nil |
| Educational Qualification | B.Sc., LLB |

| Name of Director | SRI RANGA REDDY METTU |
|---|---|
| Date of Birth | 24.04.1954 |
| Date of First Appointment | 21.04.2008 |
| Experience in Specific Functional Area | Has vast experience in Business Management and very good knowledge of Granite Industry |
| No. of Shares held in the company | Nil |
| Educational Qualification | P.U.C |