

Documents required to be submitted for approval under Clause 24(f) of the Listing Agreement, for the Scheme of Amalgamation / Arrangement (including reduction in capital, arrangement with creditors, etc) proposed to be filed under sections 391, 394 and 101 of the Companies Act, 1956

Sr. No.	Documents to be submitted alongwith application under Clause 24(f) of the Listing Agreement	Page Nos.
1.	Certified true copy of the resolution passed by the Board of Directors of the company.	1-2
2.	Certified copy of the draft Scheme of Amalgamation / Arrangement, etc. proposed to be filed before the High Court.	3-27
3.	Valuation report from Independent Chartered Accountant as applicable as per Para 4 of SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013.	Not Applicable
4.	Report from the Audit Committee recommending the draft scheme taking into consideration, inter alia, the valuation report at sr. no. 3 above	28
5.	Fairness opinion by Merchant Banker	29-33
6.	Shareholding pattern of all the companies pre and post Amalgamation / Arrangement as per Clause 35 of the Listing Agreement.	34-54
7.	Audited financials of the transferee/resulting and transferor/demerged companies for the last 3 financial years (financials not being more than 6 months old) as per Annexure I	55-56
8.	Compliance Report as per clause 49 of the listing agreement per Annexure II	57
9.	Complaint report as per Annexure III . (To be submitted within 7 days of expiry of 21 days from the date of filing of Draft Scheme).	To be sent later
10.	Compliance report with the requirements specified in Part-A of the circular CIR/CFD/DIL/5/2013 dated February 4, 2013 as per Annexure IV	58-59
11.	If as per the company, approval from the shareholders through postal ballot and e-voting, as required under Para 5.16(a), is not applicable then as required under Para 5.16 (b), submit the following: a) An undertaking certified by the auditor clearly stating the reasons for non applicability of Para 5.16(a). b) Certified copy of Board of Director's resolution approving the aforesaid auditor certificate.	60-63 64
12.	Name of the Designated Stock Exchange (DSE) for the purpose of coordinating with SEBI. Certified true copy of the resolution passed by the Board of Directors, in case BSE is DSE.	BSE65
13.	Brief details of the transferee/resulting and transferor/demerged companies as per format enclosed at Annexure V .	66-68
14.	Networth certificate (excluding Revaluation Reserve) together with related workings pre and post scheme for the transferee and / or resulting company.	69
15.	Capital evolution details of the transferee/resulting and transferor/demerged companies as per format enclosed at Annexure VI .	70-71
16.	Confirmation by the Managing Director/ Company Secretary as per format enclosed as Annexure VII .	72
17.	Statutory Auditor's Certificate confirming the compliance of the accounting treatment as specified in the Clause 24(i) of the listing agreement, as per the format given in SEBI circular CIR/CFD/DIL/1/2014 dated March 25, 2014 enclosed as Annexure VIII .	73
18.	Annual Reports of the transferee/resulting and transferor/demerged companies for the last financial year.	74-123

19	<p>Processing fee (non-refundable) payable will be as below, <u>favoring 'BSE Limited'</u></p> <p>Rs.1,00,000/- plus Service Tax as applicable, where one entities/companies are Merged or one new company formed due to De-merger</p> <p>Rs. 2,00,000/- plus Service Tax as applicable, where more than one entity/company is Merged or more than one new company formed due to De-merger.</p> <p>Processing fees : Rs.1,00,000 Service tax: Rs. 12,360</p> <hr/> <p>Rs. 1,12,360</p> <p>Less: TDS@10% 11,236</p> <hr/> <p>Rs. 1,01,124</p>	<p>Cheque favoring BSE Ltd No.000981 dated 24.12.2014 drawn on Bank of Baroda, Coimbatore</p>
20	<p>Name & Designation of the Contact Person</p> <p>Telephone Nos. (landline & mobile)</p> <p>Email ID.</p>	<p>D Ranganathan</p> <p>Whole-time Director</p> <p>0422-2460662</p> <p>9944968879</p> <p><u>dr@veejaylakshmi.com</u></p>



Veejay Lakshmi Engineering Works Limited

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF VEEJAY LAKSHMI ENGINEERING WORKS LIMITED HELD ON NOVEMBER 13, 2014 AT NO.8, ATT COLONY, COIMBATORE -641 018

RESOLVED THAT in the opinion of the Board, the Scheme of Amalgamation of Veejay Lakshmi Textiles Limited With Veejay Lakshmi Engineering Works Limited (hereinafter referred to as 'the Scheme') and the terms thereof being fair and reasonable is hereby approved.

RESOLVED FURTHER THAT the draft Scheme placed before the Board and initialed by the Chairman for the purpose of identification, and approved by the Board of Directors may be filed with the Hon'ble High Court of Madras in same or modified form as the Directors/ Authorized Signatories in their discretion deem fit or necessary.

RESOLVED FURTHER THAT Sri. J Anand, Managing Director and Sri. D Ranganathan, Whole - time Director be and is hereby authorized severally to submit/file necessary applications to the Hon'ble High Court at Madras for directions for holding a meeting of shareholders and/or Creditors, if required, and/or to file applications for the waiver of the holding of such meetings, if required, and to file all necessary petitions, documents, affidavits, papers and proceedings in connection with the Scheme.

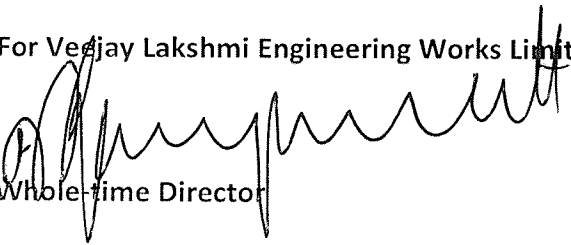
RESOLVED FURTHER THAT Sri. J Anand, Managing Director and Sri. D Ranganathan, Whole-time Director be and are hereby severally authorized to engage, do all acts, deeds and things as may be considered necessary and expedient in relation thereto and be hereby severally authorized to take all steps necessary in connection with the said Scheme:

- ❖ To make or carry out necessary corrections, if any, in the Scheme as may be suggested by High Court of Madras or by any other authorities and to sign and furnish necessary documents in this regard.
- ❖ To file application(s)/ petition(s) for the sanction and/or confirmation of the Scheme by the Hon'ble High Court at Madras, if required and to file all necessary affidavits, deeds, documents, papers and proceedings in connection with the same;
- ❖ To sign, execute, submit, file, deliver vakalaths, applications, petitions, affidavits, letters, notices and other deeds, documents, undertakings, declarations to enable implementation of the resolution to its full intent and extent;
- ❖ To interact and co-ordinate with Registrar of Companies, Tamil Nadu, Coimbatore, Regional Director, Southern Region, Ministry of Corporate Affairs, Hon'ble High Court at Madras and all other Statutory agencies for and on behalf of the Company and to give any oral or written explanations regarding the Scheme;



- ❖ To make or accept such modifications and/or such conditions, if any, which may be necessary / required and / or imposed by the High Court and / or by any other authority while sanctioning the Scheme;
- ❖ To settle all questions, differences or doubts and to make any necessary corrections or alterations in the documents submitted to the Statutory Authorities, that may arise in regard to the Scheme;
- ❖ To issue Statutory Advertisements as may be considered necessary and expedient in relation thereto and for the purpose, engage any solicitor and advocates.
- ❖ To do all such acts, matters, deeds and things as may be considered, necessary, proper, required and deemed expedient to give effect to the aforesaid decision of the Board (including any modifications or alterations that may be required to be signed in one or more trenches from time to time to implement the above resolution).

For Veeraj Lakshmi Engineering Works Limited


Whole-time Director

**SCHEME OF AMALGAMATION
OF
VEEJAY LAKSHMI TEXTILES LIMITED
WITH
VEEJAY LAKSHMI ENGINEERING WORKS LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS
(Under Sections 391 to 394 of the Companies Act, 1956)**

PREAMBLE & RATIONALE TO THE SCHEME

- (A) **VEEJAY LAKSHMI TEXTILES LIMITED** (hereinafter referred to as "**Transferor Company**" or "**VLTL**") was incorporated on the 16th July of 2001 under the Companies Act, 1956. The registered office of the Transferor Company is situated at Sengalipalayam, Coimbatore 641 022, Tamilnadu, South India. The Transferor Company is engaged in the business of manufacturing cotton yarn (hereinafter referred to as the "**Business of the Transferor Company**")
- (B) **VEEJAY LAKSHMI ENGINEERING WORKS LIMITED** (hereinafter referred to as "**Transferee Company**" or "**VLEWL**"), was incorporated on the 26th August, 1974 in the State of Tamil Nadu under the Companies Act, 1956. The registered office of the Transferee Company is situated at Sengalipalayam, Coimbatore 641 022, Tamilnadu, South India. The Transferee Company is engaged in the business of manufacturing of textile machinery (hereinafter referred to as the "**Business of the Transferee Company**"). The equity shares of the Transferee Company are listed with the Bombay Stock Exchange of India Limited ("**BSE**").
- (C) The Scheme of Amalgamation has been formulated and presented under section 391 to 394 of the Companies Act, 1956. Upon the relevant sections of the Companies Act 2013 pertaining to schemes of arrangement, compromise or reconstruction of companies being notified by the Ministry of Corporate Affairs ("**MCA**"), the Scheme of Amalgamation shall be deemed to have been formulated and presented under sections 230 to 240 of the Companies Act, 2013. Reference to any provisions of the Companies Act 1956, if any, under the Scheme would be deemed to be references to the respective corresponding provisions of the Companies Act, 2013.



- (D) The Directors of both the Transferor Company and Transferee Company have decided to amalgamate the Transferor Company with Transferee Company in order to ensure better management as a single unit. The Directors of both Transferor Company and Transferee Company are of the opinion that the proposed amalgamation of the Transferor Company with Transferee Company will be for the benefit of both the Transferor Company and Transferee Company in the manner following:
- (i) The amalgamation will enable consolidation of the business of the group into one entity which will facilitate focussed growth, operational efficiencies and better supervision of the business of the group.
 - (ii) The amalgamation will enable pooling of resources of the aforesaid companies , resulting in more productive utilisation of said resources, and cost and operational efficiencies which would be beneficial to all stakeholders
 - (iii) The amalgamation of the Transferor Company with the Transferee Company will help in the creation of a platform for future business activities, and to act as a gateway for growth and expanding business operations.
 - (iv) The amalgamation will also enable smoother implementation of policy changes at a higher level from a management perspective and shall also help enhance the efficiency and control of the entities.
 - (v) There is no likelihood that interests of any shareholder or creditor of either the Transferor Company or the Transferee Company would be prejudiced as a result of the Scheme. The Amalgamation will not impose any additional burden on the members of the Transferor Company or the Transferee Company.

PART I - GENERAL

1. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following shall have the meanings as provided herein:



1.1

"Act" means the Companies Act, 1956 and/or the Companies Act, 2013 as in force from time to time; it being clarified that as on the date of approval of this Scheme by the

provisions of the Companies Act, 2013 not having been notified. Accordingly, references in this Scheme to particular provisions of the Act are references to particular provisions of the Companies Act, 1956. Upon such provisions standing re-enacted by enforcement of provisions of the Companies Act, 2013, such references shall, unless a different intention appears, be construed as references to the provisions so re-enacted.

- 1.2 **"Appointed Date"** means the date from which this Scheme shall become operative viz., April 1st, 2014 and/or such date as the High Court of Judicature at Madras modifies, then the same shall be the Appointed Date.
- 1.3 **"Court"** means the Hon'ble High Court of Judicature at Madras under the Companies Act, 1956 or such other Tribunal (i.e) the National Company Law Tribunal (**"NCLT"**) & the National Company Law Appellate Tribunal (**"NCLAT"**) as constituted and authorized as per the provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under section 230 to 240 of the Companies Act, 2013.
- 1.4 **"Effective Date"** means the date or last of the dates on which the certified copy of the order of the Court sanctioning this Scheme is filed with the concerned Registrar of Companies by the Transferor Company and the Transferee Company.
- 1.5 **"Scheme of Amalgamation"** or **"Scheme"** or **"The Scheme"** or **"This Scheme"** means this Scheme of Amalgamation in its present form or with any modification(s) approved, imposed, or directed by the Court.
- 1.6 **"Transferee Company"** means Veejay Lakshmi Engineering Works Limited, a company incorporated under the Companies Act, 1956, and having its registered office at Sengalipalayam, Coimbatore 641 022, Tamilnadu, South India.
- 1.7 **"Transferor Company"** means Veejay Lakshmi Textiles Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Sengalipalayam, Coimbatore 641 022, Tamilnadu, South India.
- 1.8 **"Undertaking"** shall mean and include the whole of the undertaking of the Transferor Company, as a going concern, including their businesses, all secured and unsecured debts, liabilities, duties and obligations and all the assets, properties, rights, titles and

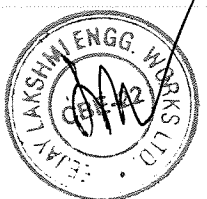


(whether owned, leased, licensed), all fixed and movable plant and machinery, vehicles, fixed assets, work in progress, current assets, investments, reserves, provisions, funds, licenses, registrations, accreditations to trade and industrial bodies, copyrights, patents, trade names, trade marks and other rights and licenses in respect thereof, applications for copyrights, patents, trade names, trade marks, leases, licenses, tenancy rights, premises, ownership flats, hire purchase and lease arrangements, lending arrangements, benefits of security arrangements, computers, office equipment, telephones, telexes, facsimile connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, benefits of agreements, contracts and arrangements, powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, reserves, provisions, advances, receivables, deposits, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, tax credits (including but not limited to credits in respect of income tax, sales tax, value added tax, turnover tax, service tax, etc), Software Licences, Domain / Websites etc., in connection with or relating to the Transferor Company and other claims and powers, of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company, as on the Appointed Date.

- 1.9 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as ascribed to them under the Act and other applicable laws, rules, regulations and byelaws as the case may be, including any statutory modification or re-enactment thereof from time to time.

2. SHARE CAPITAL

- 2.1. The Authorised Capital of the Transferor Company as on 31st March 2014 is Rs.48,00,00,000/- (Rupees Forty eight crores)- divided into 1,20,00,000 Equity Shares of Rs. 10/- each and 3,60,00,000 6% non cumulative optionally convertible Preference Shares of Rs.10/- each. The issued, subscribed and paid-up capital of the Transferor Company as on 31st March 2014 is Rs.47,10,,00,000/-(Rupees forty seven crores and ten lakhs only) divided into 1,20,00,000 Equity Shares of Rs. 10/- each R and 3,51,00,000 6% Non-Cumulative Optionally Convertible Preference Shares of Rs. 10/- each. Subsequent to 31st March 2014, there has been no change in the authorized, issued, subscribed and paid-up capital of the Transferor Company. The entire equity and preference share capital of the Transferor Company is held by the Transferee Company,



hence, the Transferor Company is a wholly-owned subsidiary of the Transferee Company (also referred to as the "**Holding Company**").

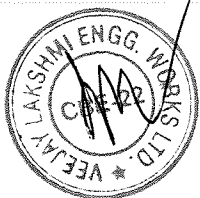
- 2.2. The Authorised Capital of the Transferee Company as on 31st March 2014 is Rs.6,00,00,000/- divided into 60,00,000 Equity Shares of Rs.10/- each. The issued, subscribed and paid-up capital of the Transferee Company as on 31st March 2014 is Rs.5,07,19,000/- divided into 50,71,900 Equity Shares of Rs.10/- each. Subsequent to 31st March 2014, there has been no change in the authorized, issued, subscribed and paid-up capital of the Transferee Company. The equity shares of the Transferee Company are listed with the BSE.

PART II – TRANSFER AND VESTING

3. TRANSFER OF UNDERTAKINGS

- 3.1 The Undertaking shall be transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company in the following manner:
- (a) With effect from the Appointed Date, the whole of the Undertakings of the Transferor Company comprising their entire business, all assets and liabilities of whatsoever nature and wheresoever situated, including the immovable properties, if any, shall, under the provisions of Section 391 read with Section 394 and all other applicable provisions, if any, of the Act, without any further act or deed (save as provided in Sub-clauses (b), (c) and (d) below), be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, as from the Appointed Date, the Undertakings of the Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Company therein.

Provided that for the purpose of giving effect to the vesting order passed under Sections 391 to 394 in respect of this Scheme, the Transferee Company shall at any time pursuant to the orders on this Scheme be entitled to get the recordal of the change in the title and the appurtenant legal right(s) upon the vesting of such assets of the Transferor Company in accordance with the provisions of Sections 391 to 394 of the Act, at the office of the respective Registrar of Assurances or any other concerned authority, where any such property is situated.



(b) All movable assets including cash in hand, if any, of the Transferor Company, capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to the Transferee Company. Such delivery shall be made on a date mutually agreed upon between the Boards of Directors of the Transferor Company and the Transferee Company.

(c) In respect of movables other than those specified in sub-clause (b) above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons, the following modus operandi for intimating third parties shall, to the extent possible, be followed:

(i) The Transferee Company shall give notice in such form as it may deem fit and proper, to each person, debtor, loanee or depositor as the case may be, that pursuant to the Court having sanctioned the Scheme, the said debts, loans, advances, bank balances or deposits be paid or made good or held on account of the Transferee Company as the person entitled thereto to the end and intent that the right of the respective Transferor Company to recover or realise the same stands extinguished and that appropriate entry should be passed in its books to record the aforesaid change;

(ii) The Transferor Company shall also give notice in such form as it may deem fit and proper to each person, debtor, loanee or depositor that pursuant to the Court having sanctioned the Scheme the said debt, loan, advance or deposit be paid or made good or held on account of the Transferee Company and that the right of the Transferor Company to recover or realise the same stands extinguished.

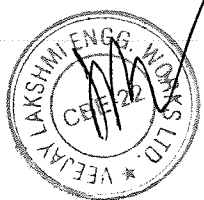
(d) In relation to the assets, if any, belonging to the Transferor Company, which require separate documents of transfer, the respective Transferor Company and the Transferee Company will execute necessary documents, as and when required.



- (e) With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature, description, whether or not provided for in the books of accounts and whether disclosed or undisclosed in the balance sheet of the Transferor Company shall also, under the provisions of Section 391 read with Section 394 of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub-clause. However, the Transferee Company may, at any time, after the coming into effect of this Scheme in accordance hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the secured creditors of the Transferor Company or in favour of any other party to the contract or arrangement to which the Transferor Company are a party or any writing, as may be necessary, in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Company as well as to implement and carry out all such formalities and compliances referred to above.
- (f) The transfer and vesting of the Undertakings of the Transferor Company as aforesaid shall be subject to the existing securities, charges and mortgages, if any subsisting, over or in respect of the property and assets or any part thereof of the respective Transferor Company.

Provided however that any reference in any security documents or arrangements (to which any Transferor Company is a party) pertaining to the assets of the Transferor Company offered, or agreed to be offered, as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Undertaking of the said Transferor Company as are vested in the Transferee Company by virtue of the aforesaid Clauses, to the end and intent that, such security, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of the said Transferor Company or any of the assets of the Transferee Company.

Provided further that the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Transferee Company shall continue



with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charges and mortgages shall not extend or be deemed to extend, to any of the assets of the Transferor Company vested in the Transferee Company.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in the Transferee Company by virtue of the amalgamation of the Transferor Company with the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security therefore, after the amalgamation has become operative.

- (g) With effect from the Appointed Date and upon the Scheme becoming effective, all permits, quotas, rights, entitlements, licences (including software licences), accreditations to trade and industrial bodies, privileges, powers, facilities, subsidies (including interest subsidy under Technology Up gradation Fund Scheme), rehabilitation schemes, special status and other benefits or privileges (granted by any Government body, local authority or by any other person) of every kind and description of whatsoever nature in relation to the Transferor Company, or to the benefit of which the Transferor Company may be eligible, or having effect immediately before the Effective Date, shall be, and remain in, full force and effect in favour of the Transferee Company, and may be enforced fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a beneficiary thereto.
- (h) In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person and availed of by the Transferor Company are concerned, the same shall vest with, and be available to, the Transferee Company on the same terms and conditions.
- (i) Loans or other obligations, if any, due between or amongst the Transferor Company and the Transferee Company shall stand discharged and there shall be no liability in that behalf. In so far as any shares, securities, debentures or notes issued by any Transferor Company, and held by the Transferee Company and vice versa or issued inter se amongst the Transferor Company are concerned, the same shall, unless sold or transferred by the said Transferor Company or the Transferee Company, as the case may be, at any time prior to the Effective Date, stand cancelled as on the Effective Date,



and shall have no effect and the Transferor Company or the Transferee Company, as the case may be, shall have no further obligation outstanding in that behalf.

- (j) The Transferor Company shall have taken all steps as may be necessary to ensure that vacant, lawful, peaceful and unencumbered possession, right, title, interest of immovable property, if any, is given to the Transferee Company.
- (k) Where any of the liabilities and obligations/assets attributed to the Transferor Company on the Appointed Date has been discharged / sold by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge/sale shall be deemed to have been for and on behalf of the Transferee Company.
- (l) From the Effective Date and till such time that the names of the bank accounts of the Transferor Company are replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company, in its name, in so far as may be necessary.

4. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- 4.1 Subject to the other provisions contained in the Scheme, all contracts, deeds, bonds, agreements (including energy wheeling agreements executed with the Tamil Nadu Electricity Board) , insurance policies and other instruments of whatsoever nature to which the Transferor Company are a party, subsisting or having effect immediately before this arrangement under this Scheme, shall be, in full force and effect, against or in favour of the Transferee Company, and may be enforced as fully and as effectively as if instead of the Transferor Company, the Transferee Company had been a party thereto. The Transferee Company shall enter into and / or issue and / or execute deeds, writings or confirmations or enter into any tripartite arrangement, confirmations or novations to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this clause, if so required or become necessary.

- 4.2 As a consequence of the amalgamation of the Transferor Company with the Transferee Company in accordance with this Scheme, the recording of change in name from the Transferor Company to the Transferee Company, whether for the purposes of any licence, permit, approval or any other reason, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned



statutory or regulatory or any other authority without the requirement of payment of any transfer or registration fee or any other charge or imposition whatsoever.

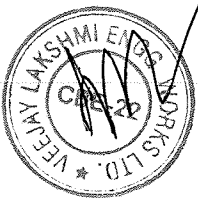
4.3 The Transferee Company may, at any time, after the coming into the effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of any party to any contract or arrangement to which the Transferor Company are a party or any writings, as may be necessary, to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Company, implement or carry out all such formalities or compliances referred to above on the part of the Transferor Company, as the case may be, to be carried out or performed.

4.4 For the removal of doubts, it is expressly made clear that the dissolution of the Transferor Company without the process of winding up as contemplated hereinafter, shall not, except to the extent set out in the Scheme, affect the previous operation of any contract, agreement, deed or any instrument or beneficial interest to which the Transferor Company are a party thereto and shall not affect any right, privilege, obligations or liability, acquired, or deemed to be acquired prior to Appointed Date and all such references in such agreements, contracts and instruments to the Transferor Company shall be construed as reference only to the Transferee Company with effect from the Appointed Date.

5. LEGAL PROCEEDINGS

5.1 All suits, actions and proceedings of whatsoever nature by or against the Transferor Company on the Appointed Date shall be transferred to the name of the Transferee Company and the same shall be continued and enforced by or against the Transferee Company, to the exclusion of the Transferor Company, as the case may be.

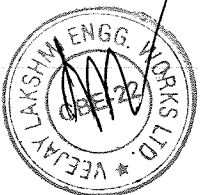
5.2 If proceedings are taken against any Transferor Company, in respect of matters referred to above, it shall defend the same in accordance with the advice of, and at the cost of, the Transferee Company, as the case may be from Appointed Date till Effective Date, and the latter shall reimburse and indemnify such Transferor Company, against all liabilities and obligations incurred by the said Transferor Company in respect thereof.



6. TRANSFEROR COMPANY STAFF, WORKMEN AND EMPLOYEES

6.1 All the executives, staff, workmen, and other employees in the service of the Transferor Company, immediately before the Appointed Date, under this Scheme shall become the executives, staff, workmen, and other employees of the Transferee Company, on the basis that:

- a) Their services shall have been continuous and shall not have been interrupted by reason of such transfer as if such transfer is effected under Section 25FF of the Industrial Disputes Act, 1947;
- b) The terms and conditions of service applicable to the said staff, workmen, and other employees after such transfer shall not in any way be less favourable to them than those applicable to them immediately before the transfer;
- c) In the event of retrenchment of such staff, workmen, or other employees, the Transferee Company shall be liable to pay compensation in accordance with law on the basis that the services of the staff, workmen, or other employees shall have been continuous and shall not have been interrupted by reason of such transfer; and
- d) It is provided that as far as the Provident Fund, Gratuity, Pension, Superannuation Fund or any other special funds that are applicable to the employees of the Transferee Company and existing in the Transferee Company for the benefit of the staff, workmen and other employees of the Transferee Company shall also be extended to the employees of the Transferor Company upon the Scheme becoming finally effective. The said benefits shall be extended to the employees of the Transferor Company even if such benefits were not available to the employees during their tenure in the Transferor Company, by virtue of non applicability of the relevant provisions to the Transferor Company. Notwithstanding what is stated herein above in respect of applicability of Employees Provident Fund to the employees of Transferor company with retrospective effect from a date to be determined by the Board of Directors of Transferee company the extension of benefit to the employees of Transferor company shall be subject to the provisions of The Employees Provident Fund and Miscellaneous Provisions Act, 1952 and the approvals of the authorities concerned for giving effect to the implementation date. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations, in whatsoever nature, that are available to the employees of the Transferee Company shall also be available to all the employees of the Transferor Company in relation to Provident Fund, Gratuity and Pension and/ or



Superannuation Fund or any other special fund, however subject to the provisions of the relevant and applicable statutes.

7. SAVING OF CONCLUDED TRANSACTIONS

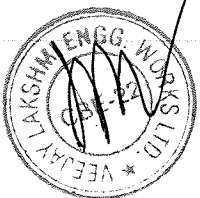
- 7.1 The transfer of Undertakings under Clause 3 above, the continuance of the effectiveness of contracts and deeds under Clause 4 above and legal proceedings by or against the Transferee Company under Clause 5 above shall not affect any transaction or proceedings or contracts or deeds already concluded by the Transferor Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

8. CONDUCT OF BUSINESS OF THE TRANSFEROR COMPANY TILL EFFECTIVE DATE

With effect from the Appointed Date and up to and including the Effective Date:

- 8.1 The Transferor Company shall carry on, and be deemed to have been carrying on, all business activities and shall be deemed to have been held for and on account of, and in trust for, the Transferee Company.
- 8.2 All profits or income or taxes, including but not limited to income tax, fringe benefit tax, advance taxes, tax deducted at source by or on behalf of the Transferor Company, wealth tax, sales tax, value added tax, excise duty, service tax, customs duty, refund, reliefs, etc, accruing or arising to the Transferor Company, or losses arising or expenditure incurred by them, on and from Appointed Date upto the Effective Date, shall for all purposes be treated as, and be deemed to be treated as, the profits or income or losses or expenditure or the said taxes of the Transferee Company.

- 8.3 The Transferor Company shall carry on their business activities with proper prudence and diligence and shall not, without prior written consent of the Transferee Company, alienate, charge or otherwise deal with or dispose off any of their business undertaking(s) or any part thereof (except in the ordinary course of business or pursuant to any pre-existing obligations undertaken by the Transferor Company prior to the Appointed Date).

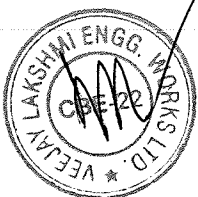


- 8.4 The Transferee Company shall also be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government, and all other agencies, departments and statutory authorities concerned, wherever necessary, for such consents, approvals and sanctions which the Transferee Company may require including the registration, approvals, exemptions, reliefs, etc., as may be required / granted under any law for time being in force for carrying on business by the Transferee Company.
- 8.5 The Transferor Company shall not make any modification to their capital structure, either by an increase (by issue of rights shares, bonus shares, convertible debentures or otherwise), decrease, reclassification, sub-division or reorganisation or in any other manner, whatsoever, except by mutual consent of the Boards of Directors of the Transferor Company and of the Transferee Company.
- 8.6 The Transferor Company shall not vary, except in the ordinary course of business, the terms and conditions of the employment of their employees without the consent of the Board of Directors of the Transferee Company.

9. AUTHORISED SHARE CAPITAL

- 9.1 Upon the Scheme becoming fully effective, the authorised share capital of the Transferor Company shall stand combined with the authorised share capital of the Transferee Company. Filing fees and stamp duty, if any, paid by the Transferor Company on their respective authorised share capital, shall be deemed to have been so paid by the Transferee Company on the combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fee/ stamp duty for its increased authorised share capital.
- 9.2 Clause V of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to applicable provisions of the Act by deleting the existing Clause and replacing it by the following:

"V. The Authorised Share Capital of the Company shall be 54,00,00,000 (Fifty Four Crores) divided into 1,80,00,000 equity shares of Rs.10/- each and 3,60,00,000 preference shares of Rs.10/- each, with the rights, privileges and conditions in attaching thereto as are provided by the regulations of the Company for the time being with powers to increase or reduce the Capital for the time being into several classes, and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the company to vary,



modify or abrogate, any such rights, privileges or conditions in such manner as may for the time being provided for by the regulations of the Company."

- 9.3 Clause 5 of the Articles of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended by deleting the existing Article and replacing it by the following:

"5. The Authorised Share Capital of the Company shall be 54,00,00,000 (Fifty Four Crores) divided into 1,80,00,000 equity shares of Rs.10/- each and 3,60,00,000 preference shares of Rs.10/- each.

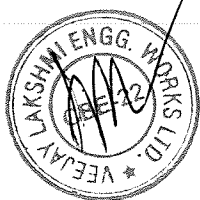
The approval of this Scheme under Sections 391 and 394 of the Act shall be deemed to have the approval under the applicable provisions of the Act and any other consents and approvals required in this regard.

10. CANCELLATION OF SHARE CAPITAL HELD BY THE TRANSFEE COMPANY IN THE TRANSFEROR COMPANY

- 10.1 Upon this Scheme coming into effect, the equity and preference shares of the Transferor Company held by the Transferee Company directly and/or through its nominee(s), constituting the entire paid up share capital of the Transferor Company will stand cancelled. No shares or consideration shall be issued / paid by the Transferee Company pursuant to the amalgamation of the Transferor Company, which is a wholly-owned subsidiary of the Transferee Company.

11. ACCOUNTING TREATMENT

- 11.1. The Transferee Company shall, upon the Scheme coming into effect, record the assets and liabilities of the Transferor Company vested in it pursuant to this Scheme at their respective book values thereof and in the same form as appearing in the books of the Transferor Company at the close of business of the day immediately preceding the Appointed Date.
- 11.2. The Transferee Company shall record the Reserves of the Transferor Company in the same form and at the same values as they appear in the financial statements of the Transferor Company at the close of business of the day immediately preceding the Appointed Date. Balances in the Profit and Loss Account of the Transferor Company shall be similarly aggregated with the balances in Profit and Loss Account of the Transferee Company. Balances shown as Miscellaneous Expenditure (to the extent not



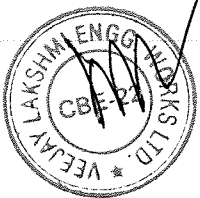
written off or adjusted) in the balance sheet of the Transferor Company shall be similarly aggregated with balances of the Transferee Company.

11.3. In case of any differences in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted in the General Reserve of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy. Provided however that insofar as the depreciation policy relating to the assets of the Transferor Company are concerned, the Board of Directors of the Transferee Company may either follow the policy adopted by the respective Transferor Company or the Transferee Company and make appropriate disclosure of the same in the financial statements.

11.4. To the extent there are inter-corporate loans or balances between the Transferor Company and the Transferee Company or between the Transferor Company inter se, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.

12. CONSEQUENTIAL MATTERS RELATING TO TAX

12.1 Upon the Scheme coming into effect, all taxes/ cess/ duties, direct and/or indirect, payable by or on behalf of the Transferor Company from the Appointed Date onwards including all or any refunds and claims, including refunds or claims pending with the Revenue Authorities and including the right to claim credit for minimum alternate tax and carry forward of accumulated losses, shall, for all purposes, be treated as the tax/ cess/ duty, liabilities or refunds, claims and accumulated losses of the Transferee Company. Accordingly, upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise, if it becomes necessary, its Income tax returns, Sales tax returns, Excise & Cenvat returns, service tax returns, other tax returns, and to claim refunds/ credits, pursuant to the provisions of this Scheme. The Transferee Company is also expressly permitted to claim refunds / credits in respect of any transaction between the Transferor company and the Transferee Company .



Provided further that upon the Scheme becoming effective, the Transferee Company is also expressly permitted to revise, if it becomes necessary, its income tax returns and related TDS Certificates, including TDS Certificates relating to transactions between or amongst any Transferor Company and the Transferee Company or inter se amongst the Transferor Company, and to claim refunds, advance tax and withholding tax credits, benefit of credit for minimum alternate tax and carry forward of accumulated losses etc., pursuant to the provisions of this Scheme.

12.2 In accordance with the Cenvat Credit Rules framed under the Central Excise Act, 1944, as are prevalent on the Effective Date, the unutilized credits relating to excise duties paid on inputs/capital goods/ input services lying in the accounts of the undertakings of the Transferor Company shall be permitted to be transferred to the credit of the Transferee Company, as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the excise duty/ service tax payable by it.

12.3 In accordance with the Tamil Nadu Value Added Tax Act, 2006, as are prevalent on the Effective Date, the unutilized credits, if any, relating to VAT paid on inputs/capital goods lying in the accounts of the undertakings of the Transferor Company shall be permitted to be transferred to the credit of the Transferee Company, as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the VAT/ CST payable by it.

PART III – GENERAL TERMS AND CONDITIONS

13. APPLICATION TO COURT

13.1. The Transferor Company shall, with reasonable despatch, apply to the Court for necessary orders or directions for holding meetings of the members of the Transferor Company for sanctioning this Scheme of Amalgamation under Section 391 of the Act or for dispensing the holding of such meetings and orders under Section 394 of the Act, for carrying this Scheme into effect and for dissolution of the Transferor Company without winding up. The Transferee Company shall, if required by Court, apply to the Court for necessary orders or directions for holding meetings of the members of the Transferee Company for sanctioning this Scheme of Amalgamation under Section 391 of the Act or



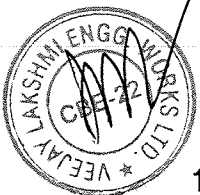
for dispensing the holding of such meetings and orders under Section 394 of the Act, for carrying this Scheme into effect

14. DISSOLUTION OF TRANSFEROR COMPANY

- 14.1 Subject to an order being made by the Court under Section 394 of the Act, the Transferor Company shall be dissolved without the process of winding up on the Scheme becoming effective in accordance with the provisions of the Act and the Rules made thereunder.

15. MODIFICATIONS / AMENDMENTS TO THE SCHEME

- 15.1 The Transferor Company and the Transferee Company through their respective Boards of Directors including Committees of Directors or other persons, duly authorised by the respective Boards in this regard, may make, or assent to, any alteration or modification to this Scheme or to any conditions or limitations, which the Court or any other Competent Authority may deem fit to direct, approve or impose and may give such directions including an order of dissolution of the Transferor Company without process of winding up as they may consider necessary, to settle any doubt, question or difficulty, arising under the scheme or in regard to its implementation or in any manner connected therewith and to do and to execute all such acts, deeds, matters and things necessary for putting this Scheme into effect, or to review the portion relating to the satisfaction of the conditions to this scheme and if necessary, to waive any of those (to the extent permitted under law) for bringing this scheme into effect.
- 15.2 If any part or provision of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Company and the Transferee Company, affect the validity of implementation of the other parts and/or provisions of the Scheme. If any Part or provision of this Scheme hereof is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Parties that such Part or provision, as the case may be, shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such Part or provision, as the case may be, shall cause this Scheme to become materially adverse to any Party, in which case the Parties shall attempt to bring about a modification in the Scheme, as will best preserve for the Parties the benefits and obligations of the Scheme, including but not limited to such Part or provision.



16. DATE OF TAKING EFFECT

- 16.1 The Scheme set out herein in its present form or with any modification(s) or amendment(s) approved, imposed or directed by the Court shall be effective from the Appointed Date but shall be operative from the Effective Date.

17. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

This Scheme is conditional on and subject to -

- 17.1 The sanction or approval under any law of the Central Government, State Government, or any other agency, department or authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.
- 17.2 The approval of the Scheme of Amalgamation by the shareholders of the Transferee Company through postal ballot and e-voting as prescribed by the Securities and Exchange Board of India ("**SEBI**") Circular¹ (hereinafter referred to as "**SEBI Circular 1**") dated 4th February, 2013 shall be done only if specifically required and directed by the SEBI. The process of postal ballot and e-voting would not be required to be complied with by the Transferee Company and shall not be treated as a conditionality of the Scheme as per SEBI circular² (hereinafter referred to as "**SEBI Circular 2**") dated 21st May 2013. The SEBI Circular 2 dispenses with the requirement of the approval of the Scheme by shareholders through postal ballot and or e-voting in the case of a wholly owned subsidiary ("Transferor Company) merging with its parent company ("Transferee Company") on the following grounds:
- The Scheme does not envisage any issue of additional shares to Promoter/ Promoter Group, Related Parties of Promoter/ Promoter Group, Associates of Promoter/ Promoter Group, Subsidiary/(s) of Promoter/Promoter Group of the Company
 - There is no Scheme between the Transferee Company and any other entity involving the Promoter/ Promoter Group, Related Parties of Promoter/Promoter Group, Associates of Promoter/ Promoter Group, Subsidiary of Promoter/ Promoter Group, and
 - The Transferee Company has not acquired the equity shares of the Transferor Company, by paying consideration in cash or in kind in the past to any of the shareholders of the Transferor Company who may be promoter / promoter group, related parties, associates of promoter / promoter group, subsidiary/(s) of



¹ CIR/CFD/DIL/5/2013

² CIR/CFD/DIL/8/2013

promoter/ promoter group of the Transferee Company (clause a,b,c as provided above are hereinafter referred to as "**Grounds of Dispensation**")

It is hereby further clarified and submitted that the present Scheme of Amalgamation satisfies the above Grounds of Dispensation.

- 17.3 The Scheme being agreed to by the respective requisite majorities of the members of the Transferor Company, if meetings of Equity Shareholders of the said company are convened by the Court or if dispensation from conducting the meeting of the equity shareholders is obtained from the Court, and the sanction of the Court being accorded to the Scheme.
- 17.4 The sanction by the Court under Sections 391 and 394 and other applicable provisions of the Act being obtained by the Transferor Company.
- 17.5 The filing with the Registrar of Companies, Coimbatore i, of certified copies of all necessary orders, sanctions and approvals mentioned above by the Transferor and Transferee Company.

18. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

- 18.1 In the event of the Scheme not being sanctioned by the Court and/or the order or orders not being passed as aforesaid, the Scheme shall become fully null and void and in that event no rights and liabilities shall accrue to or be inter-se by the parties in terms of the Scheme, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. In such event, each party shall bear and pay its respective costs, charges and expenses for and / or in connection with the Scheme.

19. EXPENSES CONNECTED WITH THE SCHEME

- 19.1 All costs, charges, levies, fees, duties and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with negotiations leading up to the Scheme and of carrying out and completing the terms and provisions of this Scheme and in relation to or in connection with the Scheme shall be borne and paid by the Transferee Company.



SCHEDULE A

(Schedule of Immoveable Properties of the Transferor Company transferred and vested with the Transferee Company pursuant to the scheme of Amalgamation)

1 – PROPERTIES UNDER DOCUMENT NO.1327 DATED 15TH MARCH, 2004

- **Property No.1**

Coimbatore District, Coimbatore Registration District, Mettupalayam Registration Sub District, Mettupalayam Taluk, No.3, Thekkampatty Village lands in the following survey field Nos.:

1. 0.740 acres in S.F.No.9/3A, 0.630 acres in S.F.No.9/3B, 0.170 acres in S.F.No.9/3C, 0.090 acres in S.F.No.10/2A, 2.070 acres in S.F.No.10/2B, 0.040 acres in S.F.No.11/2A, 1.490 acres in S.F.No.11/2B, 1.070 acres in S.F.No.16/1, 2.320 acres in S.F.No.16/2, 1.440 acres in S.F.No.16/3, 1.780 acres in S.F.No.386/2A, 1.640 acres in S.F.No.386/2B, 1.760 acres in S.F.No.386/2C, 0.910 acres in S.F. No.387/1, 0.920 acres in S.F.No.387/2, 0.900 acres in S.F.No.387/3, 1.380 acres in S.F.No. 387/4, 0.740 acres in S.F.No.387/5A, 0.750 acres in S.F.No.387/5B, 0.330 acres in S.F.No.387/6, 2.200 acres in S.F. No.388/1A, 1.950 acres in S.F.No.389/1A, 1.890 acres in S.F.No.389/1B, 1.420 acres in S.F. No.389/2B, 1.980 acres in S.F.No.388/1B, 0.490 acres in S.F.No. 390/1A, 0.900 Acres in S.F.No.400/1, totally 32.000 acres land with all super structures building, godowns, sheds, water tanks, toilets, gates and all other development. The land is bounded on:

North by – Thekkampatty – Kendeypalayam Road, South By – S.F.Nos. 385/2A, 401/1, 389/2C, 390/1B1, 390/1B2, East by Thekkampatty –Kendeypalayam Road, West by – S.F.No.23, 17, 386/1, 385/2A.

- **Property No.2**

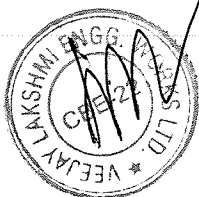
1.235 acres in S.F.No.390/1D2, 0.660 acres in S.F.No.398/6A totally 1.895 acres bounded on:

North by – Thekkampatty – Kendeypalayam Road, South by – S.F.No.391, East by – Thekkampatty – Kendeypalayam Road and S.F.No.398, West by – S.F.Nos.390/1B1, 390/1B2, 390/1C.

- **Property No.3**

2.640 acres in S.F.No.385/3, 4.150 acres in S.F.No.401/1 totally 6.790 acres bounded on :

North by – S.F.Nos.385/2B1, 385/2B2, 389/1A, 389/1B South by S.F.Nos.385/4A, 361, East by – S.F.No.401/2, West by – S.F.Nos.19/1A.



Total extent of Property 1 to 3 is 40.685 acres of land together with all super structures, buildings, godowns, sheds, water tanks, toilets, gates and all other developments and Electric Service Connection No.212 (Coimbatore Electricity Distribution Circle-North) with Security Deposits.

Door No. :17/105,2
Assessment No.: 2103

2 – PROPERTIES UNDER DOCUMENT NO: 3419 DATED 15TH SEPTEMBER, 2005

- Property No.1

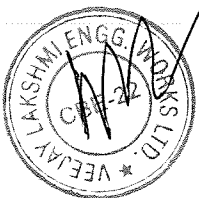
All that piece and parcel of land situated in Survey No.214 measuring an extent of 2 acres 69 cents of Thanakarkulam Village. (Full extent) together with all superstructures, buildings, Wind electric generators, transformers, electrical service connections, fencing, roads and other developments and bounded by

On North	:	By land comprised in S.F.No.216
On the South by	:	Land comprised in S.F.No.246, 247
On the East by	:	Land comprised in S.F.213
On the West by	:	Land comprised in S.F.215

- Property No.2

All that piece and parcel of land situated in Survey No.216/2 measuring an extent of 3 acres 83 cents (Full extent) Thanakarkulam village together with all superstructures, buildings, Wind electric generators, transformers, electrical service connections, fencing, roads and other developments and bounded

On North	:	By land comprised in S.F.No.216/4
On the south by	:	Land comprised in S.F.No.214, 213
On the East by	:	Land comprised in S.F.217
On the West by	:	Land comprised in S.F.216/1



- Property No.3

All that piece and parcel of land situated in Survey No.239/2 Thanakarkulam village Acre 5 Cents 87 Full, together with all superstructures, buildings, Wind electric generators, transformers, electrical service connections, fencing, roads and other developments and bounded

On the North by : Land comprised in S.F.No.225
On the south by : Survey 240 Land
On the East by : Land comprised in S.F.216
On the West by : Land comprised in S.F.239/1

and situated within the Registration District of Tirunelveli and Registration Sub-District of Radhapuram.

3 – PROPERTIES UNDER DOCUMENT NO. 3460 DATED 21ST MARCH 2007

- **Property Nos.1 & 2**

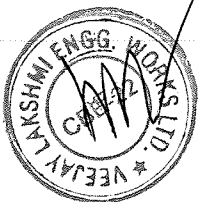
District Coimbatore Sub-Registrartion Office-Mettupalayam Taluk-Mettupalayam Village-No3Thekkampatty

All that piece and parcel of land in the following SF numbers admeasuring an extent of 3.78 acres with usual path rights and other easements.

a. 1.68 Acres in S.F.Nos.6/1 bounded by North, East and west by the land by M/s. Veejay Marketing. South by S.F.No.399/1.

b. 1.05 Acres In S.F.No.7/2B and 1.05 Acres in S.F.No.7/2C.(2.10Acres) bounded by North, South ,East and West the land Owned by the transferor Company.

c. All supersructures, factory buildings, office buildings, godowns, water tanks, toilets, gates, fencing, roads situated in the above lands in a and b



4- PROPERTIES UNDER DOCUMENT NO. 908 DATED 15TH FEBRUARY 2007

IN COIMBATORE REGISTRATION DISTRICT, METTUPALAYAM SUB REGISTRATION DISTRICT, METTUPALAYAM TALUK, NO 3 TEKKAMPATTI VILLAGE S.F NO. 389/2B PUNJAI LAND MEASURING ACRE 2.52 IN WHICH PART OF LAND MEASURING 1.07 ½ ACRES VIDE PATTA NO 845 HAVING FOLLOWING BOUNDARIES:

SOUTH OF PART OF THE LAND IN S.F. NO.389/2 LAND OWNED BY VEEJAY LAKSHMI TEXTILES LTD MEASURING 1.42 ACRES
EAST OF PART OF THE LAND OWNED BY VEEJAY LAKSHMI TEXTILES LTD S.F NO 389/1B
NORTH OF LAND AT S.F NO 401/2
WEST OF LAND AT S.F NO 389/2C

IN BETWEEN THESE BOUNDARIES TOTAL AREA OF THE LAND 1.10 ACRES IN WHICH PUNJAI LAND MEASURING 1.071/2 WITH CART TRACK ON THE ABOVE S.F. NO MEASURING 0.02 ACRE

AND

LAND MEASURING 0.05 HECTARE OR 0.12 ACRES AT S.F NO 389/2C WITH KIST OF RS 0.10 AS PER PATTA NO1624 IN THE ABOVE SAID VILLAGE
TOTAL AREA OF LAND IN TWO SURVEY NUMBERS MEASURING 1.22 ACRES

5 - PROPERTIES UNDER DOCUMENT NO.3458 DATED 21ST MARCH 2007

- **Description of Properties under the document no:**

All that piece and parcel of land in the following SF numbers admeasuring an extent of 20.09½ Acres with usual path rights and other easements.

1.	1.48 Acres in S.F.No. 6/2	Full Field
2.	0.48 Acres in S.F.No.7/1	Full Field
3.	1.96 Acres in S.F.No.7/2A	Full Field
4.	2.18 Acres in S.F.No. 111/1	Full Field
5.	1.54 Acres in S.F.No. 111/2	Full Field
6.	0.76 ½ Acres in S.F.No.388/3	Full Field
7.	3.38 Acres in S.F.No.400/3	Full Field
8.	1.35 Acres in S.F.No. 210/1	Full Field
9.	1.26 Acres in S.F.No.210/2	Full Field
10.	1.37 Acres in S.F.No.210/3	Full Field
11.	1.73 Acres in S.F.No. 210/4	Full Field
12.	0.30 Acres in S.F.No. 210/5	Full Field
13.	0.47 Acres in S.F.No. 210/6	Full Field
14.	0.46 Acres in S.F.No. 210/7	Full Field
15.	0.53 Acres in S.F.No. 210/8	Full Field
16.	0.84 Acres in S.F.No. 210/9 OUT OF 4.84	Full Field



Total extent of Property 1 to 16 is 20.09 ½ acres of land together with all superstructures, buildings, godowns, sheds, water tanks, toilets, gates and all other developments and Electric Service Connection No. 517 with Security deposits

The Boundaries for item 16 are given below:

Boundaries of the 0.84 Acres in S.F.No.210/9
Boundaries West by S.F.No.210/1,2,3,4,5,6,7 & 8
Bounded East and North by Remaining portion in S.F.No.210/9
Bounded South by S.F.No.397

The above 16 S.F numbers have totally 20.09 ½ acres and bounded:

West by: Kendepalayam - Thekkampatti Road and S.F.No.8 and S.F.No.110

North by: S.F.Nos.5,112,113 and remaining portion of 210/9

East by: Remaining portion of 210/9, S.F.Nos.397,398 and 399

South by: S.F.No.397, Lands belongs to Veejay Marketing and in S.F.No.388/2

The property situated in Thekkampatti Village

6- PROPERTIES UNDER DOCUMENT NO. 325 DATED 14TH JANUARY 2008

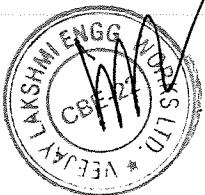
IN COIMBATORE REGISTRATION DISTRICT, METTUPALAYAM SUB REGISTRATION DISTRICT, METTUPALAYAM TALUK, NO 3 TEKKAMPATTI VILLAGE S.F NO.385/2A PUNJAI LAND MEASURING 0.52.5 Hectare IN WHICH PART OF LAND MEASURING 0.26.5 Hectare or 0.65 ACRES VIDE PATTI NO 627 AND IN S.F NO.385/2B2 PUNJAI LAND MEASURING 0.29.0 Hectare or 0.72 ACRE with kist Rs 0.58 IN WHICH WHOLE PART OF LAND. TOTAL AREA OF LAND MEASURING 0.55.5 HECTARES OR 1.37 ACRES HAVING FOLLOWING BOUNDARIES:

SOUTH OF THE LAND IN S.F. NO.386 OWNED BY VEEJAY LAKSHMI TEXTILES LTD.
WEST OF THE LAND OWNED BY VEEJAY LAKSHMI TEXTILES LTD S.F NO 389/1A & 401/1
NORTH OF THE LAND OWNED BY VEEJAY LAKSHMI TEXTILES LTD S.F.NO 385/3
EAST OF LAND S.F NO 385/2B1 OWNED BY KANDASWAMY AND S.F.NO 385/2A SUSEELA

IN BETWEEN THESE BOUNDARIES TOTAL AREA OF THE LAND 0.55.5 HECTARES OR 1.37 ACRES WITH CART TRACK AND LAND MEASURING 0.39 HECTARE IN WHICH PART OF 0.19.80 HECTARES OR 0.49 ACRES VIDE PATTI NO 799 WITH FOLLOWING BOUNDARIES

NORTH OF THE LAND IN S.F. NO.389/2B OWNED BY VEEJAY LAKSHMI TEXTILES LTD
SOUTH OF THE LAND OWNED BY VEEJAY LAKSHMI TEXTILES LTD S.F NO 388/1B
WEST OF THE LAND OWNED BY VEEJAY LAKSHMI TEXTILES LTD S.F.NO 390/1A
EAST OF LAND S.F NO 389/2A OWNED BY SUSEELA
IN BETWEEN THESE BOUNDARIES 0.19.80 HECTARE OR 0.49 ACRES OF LAND

TOTAL AREA OF LAND IN THREE SURVEY NUMBERS MEASURING 0.75.30 HECTARES OR 1.86 ACRES WITH COMMON CART TRACK.



7 - PROPERTY UNDER DOCUMENT NO. 861 DATED 19TH JANUARY 2008

IN COIMBATORE REGISTRATION DISTRICT, METTUPALAYAM SUB REGSITRATION DISTRICT, METTUPALAYAM TALUK, NO 3 TEKKAMPATTI VILLAGE S .F NO.385/2A PUNJAI LAND MEASURING 0.52.5 Hectare or 1.30 ACRES with kist OF RS 1.05 IN WHICH PART OF LAND IN WESTERN SIDE MEASURING 0.26.5 Hectare or 0.65 ACRES VIDE PATTA NO 627 HAVING FOLLOWING BOUNDARIES:

SOUTH OF THE LAND IN S.F. NO.386 OWNED BY VEEJAY LAKSHMI TEXTILES LTD
WEST OF THE LAND OWNED BY VEEJAY LAKSHMI TEXTILES LTD S.F NO S.F.NO 385/2A
NORTH OF THE LAND S.F.NO 385/2B1
EAST OF THE LAND S.F NO 385/1

LAND MEASURING 0.30 HECTARE OR 0.74 ACRES IN S.F. NO.389/2A IN WHICH PART OF 0.10.1 HECTARES OR 0.25 ACRES VIDE PATTA NO 799 WITH FOLLOWING BOUNDARIES
NORTH OF THE LAND IN S.F. NO.389/2B OWNED BY VEEJAY LAKSHMI TEXTILES LTD
SOUTH OF THE LAND OWNED BY VEEJAY LAKSHMI TEXTILES LTD S.F NO 388/1A
EAST OF THE LAND S.F.NO 389/1B
WEST OF LAND S.F NO 389/2A & 390/1A OWNED BY VEEJAY LAKSHMI TEXTILES LTD

IN BETWEEN THESE BOUNDARIES TOTAL AREA OF THE LAND 0.10.1 HECTARES OR 0.25 ACRES WITH CART TRACK

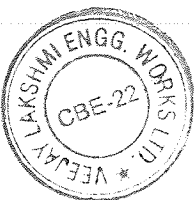
TOTAL AREA OF LAND IN TWO SURVEY NUMBERS MEASURING 0.36.6 HECTARES OR 0.90 ACRES WITH COMMON CART TRACK

8- PROPERTY UNDER DOCUMENT NO. 2043 DATED 22ND FEBRUARY 2008

IN COIMBATORE REGISTRATION DISTRICT, METTUPALAYAM SUB REGSITRATION DISTRICT, METTUPALAYAM TALUK, NO 3 TEKKAMPATTI VILLAGE S .F NO.385 PUNJAI LAND MEASURING 3.80.5 IN WHICH BY SUB DIVISION S.F.NO 385/2B1 0.24.5 Hectare or 0.60 ACRES VIDE PATTA NO 153 HAVING FOLLOWING BOUNDARIES:

NORTH OF THE LAND IN S.F. NO.385/3
SOUTH OF THE LAND S.F NO 385/2A.
WEST OF THE LAND S.F.NO 385/2B2
EAST OF THE LAND S.F NO 385/1

IN BETWEEN THESE BOUNDARIES TOTAL AREA OF THE LAND 0.24.5 HECTARES OR 0.60 ACRES WITH COMMON CART TRACK



Verified True Copy
For Veejay Lakshmi Engineering Works Ltd.

(D. Ranganathan)
Whole Time Director



Veejay Lakshmi Engineering Works Limited

REPORT OF THE AUDIT COMMITTEE OF VEEJAY LAKSHMI ENGINEERING WORKS LIMITED

Members present in the Meeting held on 22.12.2014

1. Sri N.M. Ananthapadmanabhan, Chairman
2. Sri D. Ranganathan, Member
3. Sri B. Sriram, Member

The Audit Committee noted that it has to send a Report recommending the draft scheme of merger which is to be enclosed with the application of the Company to Stock Exchange under clause 24(f) of the Listing Agreement.

The Committee perused the following documents:

1. Draft Scheme of Amalgamation approved by the Board of Directors in their meeting held on 13.11.2014
2. Fairness opinion dated 19.12.2014 given by the Merchant Banker, M/s Indbank Merchant Banking Services Limited
3. Certificate dated 5.12.2014 from the Statutory Auditor of the Company, M/s N.R. Doraiswami & Co, Chartered Accountants, Coimbatore regarding compliance of the Accounting Treatment


The Committee perused the provisions in the draft scheme which, inter alia, contains the rationale for the proposed scheme of amalgamation. The committee discussed on the benefits available from the proposed scheme like pooling of resources, operational efficiencies and better supervision.

The committee discussed the accounting treatment to be followed for taking over the assets and liabilities as per the proposed scheme of amalgamation and also noted that the Statutory Auditors Report confirms the compliance of the Accounting Treatment to be followed as per the Accounting Standards.

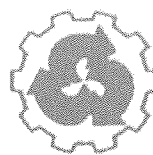
The Committee has also noted that there will be no change in the shareholding of the transferee/listed company and hence there is no need for any valuation certificate from the Chartered Accountant as per para 4.2 of the SEBI circular No. CIR/CFD/DIL/8/2013 dated 21st May, 2013 and the Merchant Banker also confirms the same in their Fairness Opinion Report.

The Audit Committee based on the information given above, its observation and discussion do hereby unanimously recommends the draft scheme for favorable consideration.

COIMBATORE
22.12.2014


CHAIRMAN OF THE AUDIT COMMITTEE

Registered Office :
1st Floor, Khivraj Complex 1
No. 480, Anna Salai,
Nandanam, Chennai 600035
Phone : 24313094 to 97
Fax : 24313093
Email : registered@indbankonline.com
CIN No. L65191TN1989 PLC 017883



Indbank
Merchant Banking Services Ltd
(A Subsidiary of Indian Bank)

19th December, 2014

To,

Veejay Lakshmi Engineering Works Limited

Sengalipalayam,

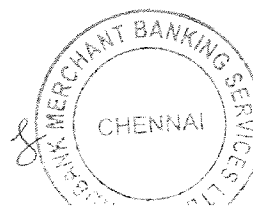
Coimbatore,

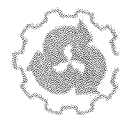
Tamil Nadu – 641 022

Sub: Fairness Opinion re. Proposed Scheme of Amalgamation of Veejay Lakshmi Textiles Limited (VLTL) (“Transferor Company”) with Veejay Lakshmi Engineering Works Limited (VLEWL) (“Transferee Company”).

Dear Sir,

We refer to our discussion wherein the management of Veejay Lakshmi Engineering Works Limited has requested Indbank Merchant Banking Services Limited to give a Fairness Opinion on Scheme of Amalgamation on the proposed amalgamation of Veejay Lakshmi Textiles Limited with Veejay Lakshmi Engineering Works Limited under a Scheme of Amalgamation (hereinafter referred to as “Scheme”).





BACKGROUND, SCOPE AND PURPOSE OF THIS REPORT

Veejay Lakshmi Engineering Works Limited (hereinafter referred to as “Transferee Company”) is a public limited company incorporated on 26th August 1974 in the State of Tamil Nadu under the Companies Act, 1956 having its registered office at Sengalipalayam, Coimbatore 641 022, Tamil Nadu. The Transferee Company is engaged into the business of manufacturing of the Textile Machinery. The equity shares of the Transferee Company are listed with the Bombay Stock Exchange of India Limited (“BSE”).

Veejay Lakshmi Textiles Limited (hereinafter referred to as “Transferor Company”) is a public limited company incorporated on 16th July of 2001 in the State of Tamil Nadu under the Companies Act, 1956 having its registered office at Sengalipalayam, Coimbatore 641 022, Tamil Nadu. The Transferor Company is engaged into the business of manufacturing of Cotton Yarn.

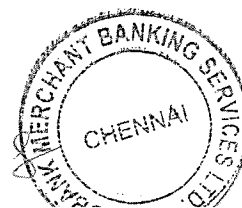
The Transferor Company is the wholly owned subsidiary of the Transferee Company.

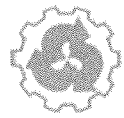
The Management of Veejay Lakshmi Engineering Works Limited (VLEWL) is considering an amalgamation of its subsidiary Veejay Lakshmi Textiles Limited (VLTL) into itself with effect from Appointed date but shall be operative from the Effective date.

BENEFITS OF AMALGAMATION

As stated in the scheme, the Transferor Company is a wholly owned subsidiary of the Transferee Company, the Directors of both the Transferor Company and the Transferee Company have decided to amalgamate both the companies to ensure better management as a single unit.

Directors of both the VLEWL and VLTL are of the opinion that the amalgamation will enable consolidation of business group into one entity which will facilitate focused growth, operational efficiencies and better supervision of the business of the group.





Directors are in opinion that the Scheme will also enable pooling of resources of the aforesaid company, resulting in more productive utilization of the said resources, and cost & operational efficiency which would be beneficial to all stakeholders. The amalgamation will help in the creation of a platform for future business activities, and to act as gateway for growth and expanding business operations and also enable smoother implementation of policy changes at a higher level from management perspective and shall also help enhance the efficiency and control of the entities.

We have been informed that the Scheme was approved by the Board of Directors of VLEWL and VLTL on 13th November, 2014

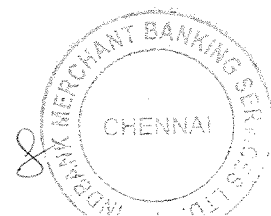
Accordingly, VLEWL has appointed us to give a fairness opinion on the proposed scheme of amalgamation of Veejay Lakshmi Textiles Limited with Veejay Lakshmi Engineering Works Limited.

This information contained in our report herein is confidential. It is intended only for the sole use of the captioned purpose including for obtaining the requisite statutory approvals.

SOURCES OF INFORMATION

For the purpose of this exercise, we have relied upon the following sources of information:

- a) Draft Scheme of Amalgamation under Sections 391 to 394 of the Companies Act.
- b) Audited financials of last three years of both transferor company and transferee company for the year ended 31st March 2012, 31st March 2013 and 31st March 2014
- c) Latest Share Holding Pattern of VLEWL as on dated 30/09/2014
- d) Such other information and explanations as we required and which have been provided by the management of VLTL and VLEWL.





EXCLUSIONS AND LIMITATIONS

Our conclusion is based on the information furnished to us being complete and accurate in all material respects. We have relied upon the financials and the information and representations furnished to us without carrying out any audit or other tests to verify its accuracy with limited independent appraisal.

We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the companies.

Our work does not constitute verification of financials or including the working results of the companies referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report.

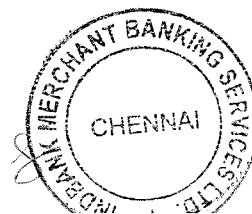
Our opinion is not intended to and does not constitute a recommendation to any shareholders as to how such shareholder should vote or act in connection with the scheme of Amalgamation or any matter related therein.

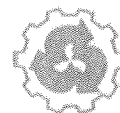
Our liability (Statutory or otherwise) for any economic loss or damage arising out of the rendering this opinion shall be limited to amount of fees received for rendering this opinion as per our engagement with Veejay Lakshmi Engineering Work Limited (VLEWL) and Veejay Lakshmi Textiles Limited (VLTL).

Our Opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed amalgamation with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.

We assume no responsibility for updating or revising our opinion based on the circumstances or events occurring after the date hereof.

We do not express any opinion as to the price at which shares of Veejay Lakshmi Engineering Works limited (VLEWL) may trade at any time, including subsequent to the date of this opinion.





This certificate has been issued for the sole purpose to facilitate the companies to comply with clause 24(f) and 24(h) of the Listing Agreement and SEBI Circular No CIR/CFD/DIL/5/2013 dated February 4, 2013 and CIR/CFD/DIL/8/2013 dated May 21, 2013 and it shall not be valid for any other purpose.

CONCLUSION:

With reference to above and based on information and explanation provided by the management representative/s of Veejay Lakshmi Engineering works Limited (VLEWL) and after analyzing the Scheme of Amalgamation, we understand that, said Veejay Lakshmi Textiles Limited (VLTL) is a wholly owned subsidiary of Veejay Lakshmi Engineering Works Limited (VLEWL) and no shares will be issued by Veejay Lakshmi Engineering works Limited (VLEWL) as consideration for the proposed amalgamation and there is no change in the Shareholding Pattern of the Veejay Lakshmi Engineering Works Limited (VLEWL) post proposed amalgamation. Hence, the valuation of the companies has not been undertaken by Veejay Lakshmi Engineering Works Limited (VLEWL) from an Independent valuer as per SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013.

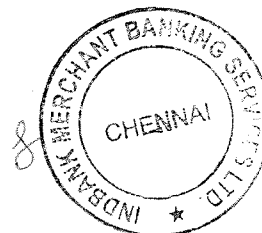
On the basis of the foregoing and based on the information and explanation provided to us, in our opinion, the proposed scheme of amalgamation of Veejay Lakshmi Textiles Limited (VLTL) with Veejay Lakshmi Engineering Works Limited (VLEWL) under a Scheme of Amalgamation is fair and reasonable to the holders of equity shares of Veejay Lakshmi Engineering Works Limited (VLEWL).

For Indbank Merchant Banking Services Ltd

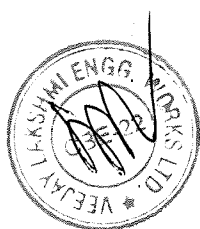
(V S Srinivasan)

Vice President & Company Secretary

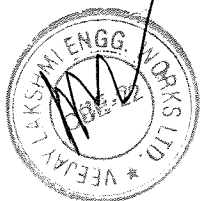
SEBI Permanent Registration No: INM000001394



Introductory sub-table (I)(a)			
Name of the Company : VEEJAY LAKSHMI ENGINEERING WORKS LTD			Pre-amalgamation
Scrip Code : 522267			
Quarter Ended : 30th September,2014			
Partly paid-up shares:-	No. of partly paid-up shares	As a % of total no. of partly paid-up shares	As a % of total no. of shares of the company
Held by promoter/promoter group	0	0	0
Held by public	0	0	0
Total - D	0	0	0
Outstanding convertible securities:-	No. of outstanding securities	As a % of total no. of outstanding convertible securities	As a % of total no. of shares of the company, assuming full conversion of the convertible securities
Held by promoter/promoter group	0	0	0
Held by public	0	0	0
Total - E	0	0	0
Warrants:-	No. of warrants	As a % of total no. of warrants	As a % of total no. of shares of the company, assuming full conversion of warrants
Held by promoter/promoter group	0	0	0
Held by public	0	0	0
Total - F	0	0	0
Total paid-up capital of the company, assuming full conversion of warrants and convertible securities	5071900		



Statement Showing Shareholding Pattern								
Table (I)(a)								
Name of the Company :		VEEJAY LAKSHMI ENGINEERING WORKS LIMITED						
Scrip Code :		522267		Quarter Ended :	30th September, 2014			
Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Share Pledged or otherwise encumbered	
					As a percentage of (A+B) ¹	As a percentage of (A+B+C)	No of shares	As a Percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) ² (VIII)/(IV)*100
(A)	Shareholding of Promoter and Promoter Group							
1	Indian							
(a)	Individuals/ Hindu Undivided Family	3	3093913	1955083	61.00	61.00	0	0
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0
(c)	Bodies Corporate	1	48997	48997	0.97	0.97	0	0
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0
(e)	Any Others(Specify)	0	0	0	0.00	0.00	0	0
	Sub Total(A)(1)	4	3142910	2004080	61.97	61.97	0	0
2	Foreign							
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0.00	0	0
b	Bodies Corporate	0	0	0	0.00	0.00	0	0
c	Institutions	0	0	0	0.00	0.00	0	0
d	Qualified Foreign Investor	0	0	0	0.00	0.00	0	0
e	Any Others(Specify)	0	0	0	0.00	0.00	0	0
	Sub Total(A)(2)	0	0	0	0.00	0.00	0	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	4	3142910	2004080	61.97	61.97	0	0
(B)	Public shareholding							
1	Institutions							
(a)	Mutual Funds/ UTI	1	200	0	0.004	0.004	0	0
(b)	Financial Institutions / Banks	0	0	0	0.000	0.000	0	0
(c)	Central Government/ State Government(s)	1	100	0	0.002	0.002	0	0
(d)	Venture Capital Funds	0	0	0	0.000	0.000	0	0
(e)	Insurance Companies	1	500	500	0.010	0.010	0	0
(f)	Foreign Institutional Investors	0	0	0	0.000	0.000	0	0
(g)	Foreign Venture Capital Investors	0	0	0	0.000	0.000	0	0
(h)	Qualified Foreign Investor	0	0	0	0.000	0.000	0	0
(i)	Any Other (specify)	0	0	0	0.000	0.000	0	0
	Sub-Total (B)(1)	3	800	500	0.016	0.016	0	0
B 2	Non-institutions							
(a)	Bodies Corporate	101	212682	206382	4.193	4.19	0	0
(b)	Individuals							
I	i. Individual shareholders holding nominal share capital up to Rs 1 lakh	6274	1291043	1023999	25.46	25.46	0	0
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	12	245034	232034	4.83	4.83	0	0
(c)	Qualified Foreign Investor	0	0	0	0.00	0.00	0	0
(d)	Any Other (specify)	170	179431	174261	3.54	3.54	0	0
	Sub-Total (B)(2)	6557	1928190	1636676	38.02	38.02	0	0
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	6560	1928990	1637176	38.03	38.03	0	0
	TOTAL (A)+(B)	6564	5071900	3641256	100.00	100.00	0	0
(C)	Shares held by Custodians and against which Depository Receipts have been issued							
1	Promoter and Promoter Group	0	0	0	0.00	0.00	0	0
2	Public	0	0	0	0.00	0.00	0	0
	Sub-Total (C)	0	0	0	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)	6564	5071900	3641256	100.00	100.00	0	0



Note:- List of Categories for Any Others				
Shareholding Pattern filed by the company for the Quarter ended September 30,2014				
		Number of Shareholders	Total number of shares	Number of shares held in dematerialized form
Promoter & Promoter Group Holdings				
Indian Promoters				
A1e	Directors & their Relatives			
A1e	Societies			
A1e	Partnership Firms			
A1e	Reserve Bank of India			
A1e	Employees Welfare Fund			
A1e	ESOP / ESOS			
A1e	Trusts			
Foreign Promoters				
A2e	Directors & their Relatives			
A2e	Societies			
A2e	Partnership Firms			
A2e	Employees Welfare Fund			
A2e	Trusts			
A2e	ESOP / ESOS			
Public Holdings				
Institutions				
B1i	Foreign Financial Institutions			
B1i	Foreign Mutual Fund			
B1i	Foreign Financial Institutions / Banks			
B1i	Stressed Assets Stabilisation Fund			
B1i	State Finance Corporation			
Non Institutions				
B2d	Trusts			
B2d	Directors & their Relatives	7	5170	0
B2d	Foreign Nationals			
B2d	Escrow Account			
B2d	Market Maker			
B2d	Non Resident Indians	19	23487	23487
B2d	Overseas Corporate Bodies			
B2d	Societies			
B2d	Clearing Members	18	4217	4217
B2d	Shares in transit			
B2d	Hindu Undivided Families	125	78717	78717
B2d	NRIs/OCBs			
B2d	Foreign Corporate Bodies			
B2d	Partnership Firms			
B2d	Custodian of Enemy Property			
B2d	Foreign Collaborators			
B2d	ESOP/ESOS/ESPS			
B2d	NRI Director	1	67840	67840
	Total B(2)(d)	170	179431	174261



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Sr.No	Notes
1	"Any Other" under B(2)(c) includes Directors and Relatives who are not having 'controlling interest' as defined under SEBI SAST Regulations.
2	
3	
4	
5	
6	
7	
8	
9	
10	



(I)(b) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Promoter and Promoter Group"											
Sr. No.	Name of the shareholder	Details of Shares held		Encumbered shares (*)			Details of warrants			Details of convertible securities	
		Number of shares held	As a % of grand total (A) +(B) +(C)	No.	As a percentage	As a % of grand total (A)+(B)+(C) of sub-clause (I)(a)	Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	As a % total number of convertible securities of the same class	Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
(i)	(ii)	(iii)	(iv)	(v)	(vi)=(v)/(iii)*100	(vii)	(viii)	(ix)	(x)	(xi)	(xii)
1	Sri. V.J. Jayaraman	1225385	24.16	0	0.00	0.00	0	0.00	0	0.00	24.16
2	Sri. J. Anand	1142828	22.53	0	0.00	0.00	0	0.00	0	0.00	22.53
3	Smt. J. Vidya	725700	14.31	0	0.00	0.00	0	0.00	0	0.00	14.31
4	M/s. Veejay Sales & Services Ltd.	48997	0.97	0	0.00	0.00	0	0.00	0	0.00	0.97
TOTAL		3142910	61.97	0	0.00	0.00	0	0.00	0	0.00	61.97

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(I)(c)(i) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Public" and holding more than 1% of the total number of shares							
Sr. No.	Name of the shareholder	Number of shares held	Shares as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}	Details of warrants			Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants held	As a % total number of warrants of the same class	% w.r.t total number of convertible securities of the same class	
1	Sudha Commercial Company Ltd	127000	2.50	0	0.00	0.00	2.50
2	Sri. N. Athimoolam Naidu	67840	1.34	0	0.00	0.00	1.34
3	Smt Sangeetha S	52170	1.03	0	0.00	0.00	1.03
TOTAL		247010	4.87	0	0.00	0.00	4.87

(D)(c)(ii) Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category "Public" and holding more than 5% of the total number of shares of the company

Sr. No.	Name(s) of the shareholder(s) and the Persons Acting in Concert (PAC) with them	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
1	NIL	0	0.00		0.00	0	0.00	0.00
2								
3								
4								
5								
6								
7								
8								
9								
10								
TOTAL		0	0.00	0	0.00	0	0.00	0.00

(I)(d) <u>Statement showing details of locked-in shares</u>			
Sr. No.	Name of the shareholder	Number of locked-in shares	Locked-in shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1	NIL	0	0.00
2			0.00
3			0.00
4			0.00
5			0.00
6			0.00
7			0.00
8			0.00
9			0.00
10			0.00
TOTAL		0	0.00





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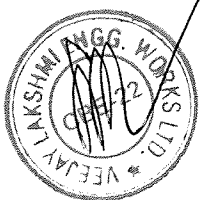


(II)(b)

Statement showing holding of Depository Receipts (DRs), where underlying shares held by "promoter/promoter group" are in excess of 1% of the total number of shares

Sr. No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1	NIL			0.00
2				0.00
3				0.00
4				0.00
5				0.00
6				0.00
7				0.00
8				0.00
9				0.00
TOTAL			0	0.00

Introductory sub-table (I)(a)			
Name of the Company : VEEJAY LAKSHMI ENGINEERING WORKS LTD			Post-amalgamation
Scrip Code : 522267			
Quarter Ended : 30th September, 2014			
Partly paid-up shares:-	No. of partly paid-up shares	As a % of total no. of partly paid-up shares	As a % of total no. of shares of the company
Held by promoter/promoter group	0	0	0
Held by public	0	0	0
Total - D	0	0	0
Outstanding convertible securities:-	No. of outstanding securities	As a % of total no. of outstanding convertible securities	As a % of total no. of shares of the company, assuming full conversion of the convertible securities
Held by promoter/promoter group	0	0	0
Held by public	0	0	0
Total - E	0	0	0
Warrants:-	No. of warrants	As a % of total no. of warrants	As a % of total no. of shares of the company, assuming full conversion of warrants
Held by promoter/promoter group	0	0	0
Held by public	0	0	0
Total - F	0	0	0
Total paid-up capital of the company, assuming full conversion of warrants and convertible securities	5071900		



Statement Showing Shareholding Pattern								
Table (I)(a)								
Name of the Company :		VEEJAY LAKSHMI ENGINEERING WORKS LIMITED						
Scrip Code :		522267		Quarter Ended :	30th September, 2014			
Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Share Pledged or otherwise encumbered	
					As a percentage of (A+B) ¹	As a percentage of (A+B+C)	No of shares	As a Percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) = (VIII)/(IV)*100
(A)	Shareholding of Promoter and Promoter Group							
1	Indian							
(a)	Individuals/ Hindu Undivided Family	3	3093913	1955083	61.00	61.00	0	0
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0
(c)	Bodies Corporate	1	48997	48997	0.97	0.97	0	0
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0
(e)	Any Others(Specify)	0	0	0	0.00	0.00	0	0
	Sub Total(A)(1)	4	3142910	2004080	61.97	61.97	0	0
2	Foreign							
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0.00	0	0
b	Bodies Corporate	0	0	0	0.00	0.00	0	0
c	Institutions	0	0	0	0.00	0.00	0	0
d	Qualified Foreign Investor	0	0	0	0.00	0.00	0	0
e	Any Others(Specify)	0	0	0	0.00	0.00	0	0
	Sub Total(A)(2)	0	0	0	0.00	0.00	0	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	4	3142910	2004080	61.97	61.97	0	0
(B)	Public shareholding							
1	Institutions							
(a)	Mutual Funds/ UTI	1	200	0	0.004	0.004	0	0
(b)	Financial Institutions / Banks	0	0	0	0.000	0.000	0	0
(c)	Central Government/ State Government(s)	1	100	0	0.002	0.002	0	0
(d)	Venture Capital Funds	0	0	0	0.000	0.000	0	0
(e)	Insurance Companies	1	500	500	0.010	0.010	0	0
(f)	Foreign Institutional Investors	0	0	0	0.000	0.000	0	0
(g)	Foreign Venture Capital Investors	0	0	0	0.000	0.000	0	0
(h)	Qualified Foreign Investor	0	0	0	0.000	0.000	0	0
(i)	Any Other (specify)	0	0	0	0.000	0.000	0	0
	Sub-Total (B)(1)	3	800	500	0.016	0.016	0	0
B 2	Non-institutions							
(a)	Bodies Corporate	101	212682	206382	4.193	4.19	0	0
(b)	Individuals							
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	6274	1291043	1023999	25.46	25.46	0	0
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	12	245034	232034	4.83	4.83	0	0
(c)	Qualified Foreign Investor	0	0	0	0.00	0.00	0	0
(d)	Any Other (specify)	170	179431	174261	3.54	3.54	0	0
	Sub-Total (B)(2)	6557	1928190	1636676	38.02	38.02	0	0
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	6560	1928990	1637176	38.03	38.03	0	0
	TOTAL (A)+(B)	6564	5071900	3641256	100.00	100.00	0	0
(C)	Shares held by Custodians and against which Depository Receipts have been issued							
1	Promoter and Promoter Group	0	0	0	0.00	0.00	0	0
2	Public	0	0	0	0.00	0.00	0	0
	Sub-Total (C)	0	0	0	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)	6564	5071900	3641256	100.00	100.00	0	0

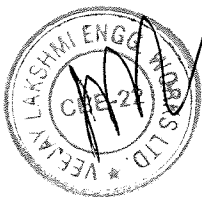


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Note:- List of Categories for Any Others

Shareholding Pattern filed by the company for the Quarter ended September 30, 2014

		Number of Shareholders	Total number of shares	Number of shares held in dematerialized form
Promoter & Promoter Group Holdings				
Indian Promoters				
A1e	Directors & their Relatives			
A1e	Societies			
A1e	Partnership Firms			
A1e	Reserve Bank of India			
A1e	Employees Welfare Fund			
A1e	ESOP / ESOS			
A1e	Trusts			
Foreign Promoters				
A2e	Directors & their Relatives			
A2e	Societies			
A2e	Partnership Firms			
A2e	Employees Welfare Fund			
A2e	Trusts			
A2e	ESOP / ESOS			
Public Holdings				
Institutions				
B1i	Foreign Financial Institutions			
B1i	Foreign Mutual Fund			
B1i	Foreign Financial Institutions / Banks			
B1i	Stressed Assets Stabilisation Fund			
B1i	State Finance Corporation			
Non Institutions				
B2d	Trusts			
B2d	Directors & their Relatives	7	5170	0
B2d	Foreign Nationals			
B2d	Escrow Account			
B2d	Market Maker			
B2d	Non Resident Indians	19	23487	23487
B2d	Overseas Corporate Bodies			
B2d	Societies			
B2d	Clearing Members	18	4217	4217
B2d	Shares in transit			
B2d	Hindu Undivided Families	125	78717	78717
B2d	NRIs/OCBs			
B2d	Foreign Corporate Bodies			
B2d	Partnership Firms			
B2d	Custodian of Enemy Property			
B2d	Foreign Collaborators			
B2d	ESOP/ESOS/ESPS			
B2d	NRI Director	1	67840	67840
Total B(2)(d)		170	179431	174261





Sr.No	Notes
1	"Any Other" under B(2)(c) includes Directors and Relatives who are not having 'controlling interest' as defined under SEBI SAST Regulations.
2	
3	
4	
5	
6	
7	
8	
9	
10	



(I)(b) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Promoter and Promoter Group"											
Sr. No.	Name of the shareholder	Details of Shares held		Encumbered shares (*)			Details of warrants			Details of convertible securities	
		Number of shares held	As a % of grand total (A) + (B) + (C)	No.	As a percentage	As a % of grand total (A)+(B)+(C) of sub-clause (i)(a)	Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	As a % total number of convertible securities of the same class	Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
(i)	(ii)	(iii)	(iv)	(v)	(vi) = (v)/(iii)*100	(vii)	(viii)	(ix)	(x)	(xi)	(xii)
1	Sri. V.J. Jayaraman	1225385	24.16	0	0.00	0.00	0	0.00	0	0.00	24.16
2	Sri. J. Anand	1142828	22.53	0	0.00	0.00	0	0.00	0	0.00	22.53
3	Smt. J. Vidya	725700	14.31	0	0.00	0.00	0	0.00	0	0.00	14.31
4	M/s. Veejay Sales & Services Ltd.	48997	0.97	0	0.00	0.00	0	0.00	0	0.00	0.97
TOTAL		3142910	61.97	0	0.00	0.00	0	0.00	0	0.00	61.97

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(I)(c)(i) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Public" and holding more than 1% of the total number of shares							
Sr. No.	Name of the shareholder	Number of shares held	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}	Details of warrants			Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	
1	Sudha Commercial Company Ltd	127000	2.50	0	0.00	0	2.50
2	Sri. N. Athimoolam Naidu	67840	1.34	0	0.00	0	1.34
3	Smt Sangeetha S	52170	1.03	0	0.00	0	1.03
TOTAL		247010	4.87	0	0.00	0	4.87

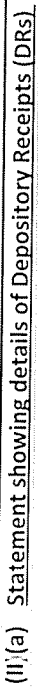
(I)(c)(ii) Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category "Public" and holding more than 5% of the total number of shares of the company

Sr. No.	Name(s) of the shareholder(s) and the Persons Acting in Concert (PAC) with them	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}	Details of warrants			Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants	As a % total number of warrants of the same class	Number of convertible securities held	Number of convertible securities of the same class	% w.r.t total number of convertible securities of the same class	
1	NIL	0	0.00		0.00	0	0	0.00	0.00
2									
3									
4									
5									
6									
7									
8									
9									
10									
TOTAL		0	0.00	0	0.00	0	0	0.00	0.00

(I)(d) Statement showing details of locked-in shares

Sr. No.	Name of the shareholder	Number of locked-in shares	Locked-in shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1	NIL	0	0.00
2			0.00
3			0.00
4			0.00
5			0.00
6			0.00
7			0.00
8			0.00
9			0.00
10			0.00
TOTAL		0	0.00



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(II)(b)

Statement showing holding of Depository Receipts (DRs), where underlying shares held by "promoter/promoter group" are in excess of 1% of the total number of shares

Sr. No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1	NIL			0.00
2				0.00
3				0.00
4				0.00
5				0.00
6				0.00
7				0.00
8				0.00
9				0.00
TOTAL			0	0.00



Veejay Lakshmi Engineering Works Limited

SHAREHOLDING PATTERN OF VEEJAY LAKSHMI TEXTILES LIMITED (TRANSFEROR COMPANY)

EQUITY SHARES (FACE VALUE OF RS.10/- EACH)

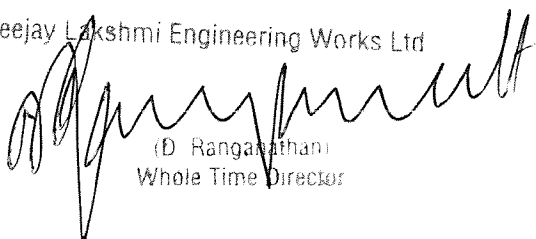
S. No	Name of the shareholders	No. of Shares	Shares as a % of Total no. of shares	No. of Shares	Shares as a % of Total no. of shares
		Pre-amalgamation		Post-amalgamation*	
01	Veejay Lakshmi Engineering Works Limited	1,19,99,300	100.00	NIL	
02	Individuals -7 Nos. (as Nominees of Veejay Lakshmi Engineering Works Limited)	700	0.00		
	TOTAL	12,00,000	100.00		

PREFERENCE SHARES – 6% NON-CUMULATIVE OPTIONALLY CONVERTIBLE REDEEMABLE PREFERENCE SHARES OF FACE VALUE OF RS.10/ EACH

S. No	Name of the shareholders	No. of Shares	Shares as a % of Total no. of shares	No. of Shares	Shares as a % of Total no. of shares
		Pre-amalgamation		Post-amalgamation*	
01	Veejay Lakshmi Engineering Works Limited	3,51,00,000	100.00	NIL	
	TOTAL	3,51,00,000	100.00		

*Transferor Company, Veejay Lakshmi Textiles Limited will get dissolved without winding up pursuant to the scheme of Amalgamation

For Veejay Lakshmi Engineering Works Ltd

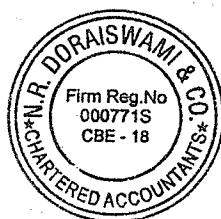

(D. Ranganathan)
Whole Time Director

ANNEXURE I

Name of the Company: Veejay Lakshmi Engineering Works Limited(Transferee Company)

(Rs. in Crores)

	As per the Limited review September 30,2014	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
		2013-14	2012-13	2011-12
Equity Paid up Capital	5.07	5.07	5.07	5.07
Reserves and surplus	67.67	66.63	65.84	68.72
Carry forward losses	--	--	--	--
Net Worth	72.74	71.70	70.91	73.79
Miscellaneous Expenditure	--	--	--	--
Secured Loans	2.50	5.95	5.25	7.61
Unsecured Loans	1.33	1.33	1.33	1.35
Fixed Assets	23.10	25.26	27.89	31.94
Income from Operations	22.09	70.99	65.71	58.72
Total Income	25.14	71.17	65.80	58.82
Total Expenditure	23.92	70.68	69.97	58.22
Profit before Tax	1.22	0.49	-4.17	0.60
Profit after Tax	1.03	0.79	-2.88	0.04
Cash profit	3.88	5.05	0.81	5.10
EPS	2.04	1.56	-5.68	0.09
Book value	143.41	141.38	139.82	145.50



For N.R. DORAISWAMI & CO
Chartered Accountants
(Firm Regn. No. 000771S)

B.R. Ranganathan

(B.R. RANGANATHAN)
Partner (Membership No. 015508)

GURUBATHAM & ASSOCIATES, Chartered Accountants

'SRI DWARAKA', 1-A, B.R. Nagar Main Road, Kothari Layout, Singanallur Post, Coimbatore - 641 005. Ph : 2310622

ANNEXURE - 1AName of the Company : **Veejay Lakshmi Textiles Limited** (Transferor Company)

Rs. Crores

	Audited- Half year ended 30.09.2014	As per last Audited Financial year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
		2013-14	2012-13	2011-12
Preference Share Capital	35.10	35.10	12.00	12.00
Equity Paid up Capital	12.00	12.00	12.00	12.00
Reserves and Surplus	1.01	1.01	1.01	1.01
Carry Forward Losses	-10.03	-8.44	-12.20	-11.75
Net Worth	38.08	39.67	12.81	13.26
Miscellaneous Expenditure	--	--	--	--
Secured Loans	15.66	22.32	20.07	20.58
Unsecured Loans	--	--	26.67	24.80
Fixed Assets	36.56	37.66	40.35	44.40
Income from Operations	28.16	76.27	50.44	49.72
Total Income	28.18	77.23	50.70	50.36
Total Expenditure	29.76	77.02	55.42	58.37
Profit before Tax	-1.58	3.78	-4.72	-8.01
Profit after Tax	-1.58	3.76	-0.45	-7.56
Cash Profit	-0.37	0.70	0.15	-4.84
EPS	-1.32	3.13	-0.38	-6.30
Book Value	2.48	3.80	0.67	1.05

PLACE : COIMBATORE

DATE : 10.01.2015

For GURUBATHAM & ASSOCIATES,
CHARTERED ACCOUNTANTSR. GURUBATHAM, B.Com., F.C.A.,
PARTNER
M.NO. 200/21556
'SRI DWARAKA'
1-A, B.R. Nagar Main Road,
Singanallur Post,
COIMBATORE - 641005.



Veejay Lakshmi Engineering Works Limited

ANNEXURE - II

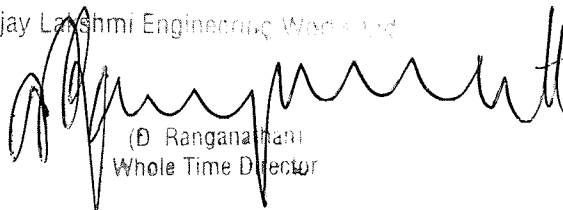
QUARTERLY COMPLIANCE REPORT ON CORPORATE GOVERNANCE

Name of the Company: **VEEJAY LAKSHMI ENGINEERING WORKS LIMITED**

Quarter ending on: **SEPTEMBER 30, 2014**

Particulars	Clause of Listing agreement	Compliance Status Yes/No	Remarks
I Board of Directors	49 I		
(A) Composition of Board	49 (IA)	YES	
(B) Non-executive Directors' compensation & disclosures	49 (IB)	YES	
(C) Other provisions as to Board and Committees	49 (IC)	YES	
(D) Code of Conduct	49 (ID)	YES	
II. Audit Committee	49 (II)	YES	
(A) Qualified & Independent Audit Committee	49 (IIA)	YES	
(B) Meeting of Audit Committee	49 (IIB)	YES	
(C) Powers of Audit Committee	49 (IIC)	YES	
(D) Role of Audit Committee	49 (IID)	YES	
(E) Review of Information by Audit Committee	49 (IIE)	YES	
III. Subsidiary Companies	49 (III)	YES	
IV. Disclosures	49 (IV)		
(A) Basis of related party transactions	49 (IV A)	YES	
(B) Disclosure of Accounting Treatment	49 (IV B)	YES	
(C) Board Disclosures	49 (IV C)	YES	
(D) Proceeds from public issues, rights issues, preferential issues etc.	49 (IV D)	N.A	
(E) Remuneration of Directors	49 (IV E)	YES	
(F) Management	49 (IV F)	YES	
(G) Shareholders	49 (IV G)	YES	
V.CEO/CFO Certification	49 (V)	YES	
VI. Report on Corporate Governance	49 (VI)	YES	
VII. Compliance	49 (VII)	YES	

For Veejay Lakshmi Engineering Works Limited


(D. Ranganathan)
Whole Time Director

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Veejay Lakshmi Engineering Works Limited

ANNEXURE IV

Compliance report with the requirements specified in Part-A of the circular CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013

Sub: Application under Clause 24(f) of the listing agreement for the proposed scheme of amalgamation of M/s Veejay Lakshmi Textiles Limited with M/s Veejay Lakshmi Engineering Works Limited

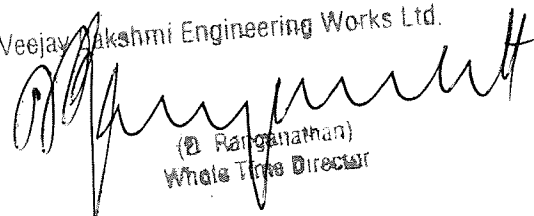
In connection with the above application, we hereby confirm that we satisfy all the conditions as stipulated in the aforesaid SEBI circular, as given hereunder:

Sr. No.	Requirements as per CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013	Whether Complied or not & How
1.	Listed companies shall choose one of the stock exchanges having nation-wide trading terminals as the designated stock exchange for the purpose of coordinating with SEBI.	Yes. Bombay Stock Exchange(BSE) is the only stock exchange where the shares are listed and BSE will be the designated stock exchange for co-ordination with SEBI
Compliance as per Part A, Annexure I to the Circular		
2.	Documents to be submitted:	
2.a	Draft Scheme of arrangement/ amalgamation/ merger/ reconstruction/ reduction of capital, etc.	Draft Scheme enclosed with the application
2.b	Valuation Report from Independent Chartered Accountant	Not applicable as there is no fresh allotment of shares either in transferee or transferor company and the assets are to be taken by the transferee company at its book value in the transferor company
2.c	Report from the Audit Committee recommending the Draft Scheme	Yes enclosed
2.d	Fairness opinion by merchant banker	Yes Fairness opinion from Indbank Merchant Banking Services enclosed
2.e	Pre and post amalgamation shareholding pattern of unlisted company	Enclosed as per format in clause 35
2.f	Audited financials of last 3 years (financials not being more than 6 months old) of unlisted company;	Yes enclosed both for transferee and transferor company
2.g	Compliance with Clause 49 of Listing Agreement	Yes enclosed

2.h	Complaints Report	Will be submitted within the stipulated time
3.	The equity shares sought to be listed are proposed to be allotted by the unlisted Issuer (transferee entity) to the holders of securities of a listed entity (transferor entity) pursuant to a scheme of reconstruction or amalgamation (Scheme) sanctioned by a High Court under Section 391-394 of the Companies Act, 1956	<p>There is no fresh issue of shares in transferee company or listing of any new shares. More than 25% of the shares of the transferee company are already held by public. The shares held by the transferee company in the transferor company, which is a wholly owned subsidiary of the transferee company will get cancelled on merger.</p>
4.	At least 25% of the post scheme paid up share capital of the transferee entity shall comprise of shares allotted to the public holders in the transferor entity.	
5.	The transferee entity will not issue/reissue any shares, not covered under the Draft scheme.	
6.	As on date of application there are no outstanding warrants/ instruments/ agreements which give right to any person to take the equity shares in the transferee entity at any future date. If there are such instruments stipulated in the Draft scheme, the percentage referred to in point (4) above, shall be computed after giving effect to the consequent increase of capital on account of compulsory conversions outstanding as well as on the assumption that the options outstanding, if any, to subscribe for additional capital will be exercised.	
7.	The shares of the transferee entity issued in lieu of the locked-in shares of the transferor entity are subjected to the lock-in for the remaining period.	

Date:22.12.2014

For Veejay Lakshmi Engineering Works Ltd.


(Ranganathan)
Whole Time Director



Veejay Lakshmi Engineering Works Limited

UNDERTAKING IN RELATION TO NON APPLICABILITY OF THE PARAGRAPH 5.16(a) OF THE SEBI CIRCULAR NO.CIR/CFD/DIL/5/2013 DATED 4thFEBRUARY, 2013 (AS MODIFIED BY PARAGRAPH 7 OF SEBI CIRCULAR NO.CIR/CFD/DIL/8/2013 DATED 21st MAY, 2013)

This is with reference to the proposed amalgamation ("Amalgamation") of Veejay Lakshmi Textiles Limited (VLT/Transferor Company") a wholly owned subsidiary of Veejay Lakshmi Engineering Works Limited ("Company") with the Company, under the provisions of Sections 391- 394 of the Companies Act,1956.

The Company hereby undertakes that the requirement of Para 5.16(a) of SEBI Circular No.CIR/CFD/DIL/5/2013 dated 4th February, 2013 (as modified by paragraph 7 of SEBI no. CIR/CFD/DIL/8/2013 dated 21st May, 2013) pertaining to voting by public shareholders through postal ballot and e-voting are not applicable to the company for the following reasons:

1. 5.16 (a) (i) Where additional shares have been allotted to Promoter/ Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary (s) of Promoter /Promoter Group of the listed company.

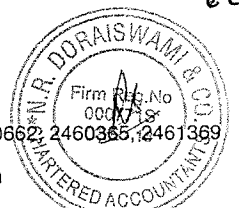
Reasons for non-applicability

The proposed scheme is for amalgamation of Veejay Lakshmi Textiles Limited, the wholly owned subsidiary of the Company, with the Company (Veejay Lakshmi Engineering Works Limited). No shares are proposed to be allotted to Promoter/Promoter Group, Related Parties of Promoter/Promoter Group, Associates of Promoter/Promoter Group, Subsidiary (s) of Promoter/Promoter Group of the listed company.

2. 5.16 (a) (ii) Where the Scheme of Arrangement involves the listed company and any other' entity involving Promoter/Promoter Group, Related Parties of Promoter/Promoter Group, Associates of Promoter/Promoter Group, Subsidiary(s) of Promoter/Promoter Group.

Reasons for non-applicability

The proposed scheme is for amalgamation of Veejay Lakshmi Textiles Limited, the wholly owned subsidiary of the Company, with the Company (Veejay Lakshmi Engineering Works Limited). It does not involve any other entity involving Promoter /Promoter Group, Related Parties of Promoter/Promoter Group, Associates of Promoter / Promoter Group, Subsidiary(s) of Promoter / Promoter Group.



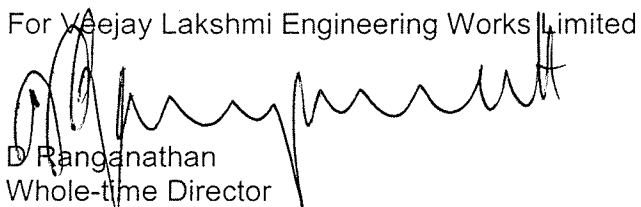
3. 5.16 (a) (iii) Where the parent listed company, has acquired the equity shares of the subsidiary, by paying Consideration in cash or in kind in the past to any of the shareholders of the subsidiary/s who may be Promoter /Promoter Group, Related parties of Promoter/ Promoter Group, Associates of Promoter /Promoter Group, Subsidiary/(s) of Promoter / Promoter Group .of the parent listed company, and if that subsidiary is being merged with the parent listed company under the Scheme

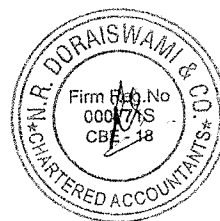
Reasons for non-applicability

The Company (the parent listed company) has not acquired the equity shares of the subsidiary, by paying Consideration in cash or in kind in the past to any of the shareholders of the subsidiary who may be Promoter /Promoter Group, Related parties of Promoter/Promoter Group, Associates of Promoter/Promoter Group, Subsidiary/(s) of Promoter/Promoter Group of the parent listed company.

In view of the aforesaid and pursuant to paragraph 7 of the Revised SEBI Circular No. CIR/CFD/DIL/8/ 2013 dated 21 May 2013, the requirement of approval from shareholders by postal ballot and e-voting stated at paragraph 5.16(a) of the SEBI Circular No. CIR/CFD/DIL/5/2013 dated 4 February 2013 is not applicable to the proposed Scheme of Arrangement.

For Veejay Lakshmi Engineering Works Limited


D Ranganathan
Whole-time Director



Date :05.12.2014

AUDITOR'S CERTIFICATE

We, **M/s.N.R.Doraiswami & Co**, Chartered Accountants (Firm Registration No. 000771S), the statutory auditors of **M/s. Veejay Lakshmi Engineering Works Limited** ("the Company"), having its registered office at Sengalipalayam, NGGO Colony Post, Coimbatore - 641 022 have been requested by the Company, to certify the undertaking given by the Company ("the Undertaking") regarding the non-applicability of Para 5.16 of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 as modified by SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 ("the Circulars"), stating the reasons thereof, in respect of Proposed Scheme of Amalgamation of Veejay Lakshmi Textiles Limited with the Company ("the Proposed Scheme") for the purpose of onward submission to the BSE Limited (BSE) in accordance with Para 5.16(b) of the aforesaid SEBI circulars.

Management Responsibility :

The preparation of the Undertaking is the responsibility of the Management of the Company including maintenance of all accounting and other records supporting the contents of the Undertaking. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Undertaking that is free from material misstatement and for ensuring compliance with the applicable SEBI circulars and the Companies Act, 1956 and/or the Companies Act, 2013

Auditor's responsibility :

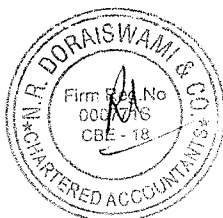
Pursuant to the Circular, the auditors' responsibility is to examine the Proposed Scheme and certify whether the requirements in Para 5.16(a) as set out in the Undertaking are applicable in relation to the Proposed Scheme.

We have verified the particulars stated in the Undertaking and the Proposed Scheme, relevant documents and records and the explanations provided by the Management. We have initialled the Undertaking for identification purpose only and the same is attached herewith.

We have performed the above-mentioned procedures, in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountants of India.

Conclusion :

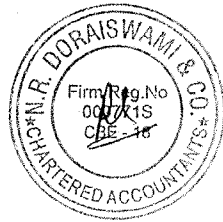
Based on the procedures performed by us as stated above and according to the information and explanations provided to us, we certify that, to the best of our knowledge and belief, the requirements of Para 5.16(a) of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 as amended by para 7 of SEBI circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 are not applicable to the Proposed Scheme for the reasons stated in the Undertaking.



-2-

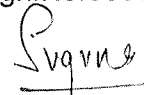
Restriction on use :

This certificate has been issued at the request of the Management of the Company solely for the purpose of onward submission to BSE. This certificate should not be used for any other purpose without our prior written consent.



PLACE : COIMBATORE
DATE : 05.12.2014

For **N.R.DORAISWAMI & CO.,**
Chartered Accountants
(Firm Regn.No.000771S)


(SUGUNA RAVICHANDRAN)

Partner
Membership No. 207893

63

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Veejay Lakshmi Engineering Works Limited

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF VEEJAY LAKSHMI ENGINEERING WORKS LIMITED ON DECEMBER 22, 2014 AT COIMBATORE

The Board noted that the undertaking from the company for the non-applicability of the approval from the shareholders for postal ballot and e-voting is to be certified by the statutory auditor as per para 5.16(b) of the Securities Exchange Board of India ("SEBI") Circular No.CIR/CFD/DIL/5/2013 dated February 4,2013 as modified by para 7 of SEBI circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 and the certificate has to be approved by the Board of Directors by a resolution.

The undertaking from the Company and also the certificate from the Statutory Auditors were perused and the Board RESOLVED to unanimously to approve the certificate.

For Veejay Lakshmi Engineering Works Limited

Whole-Time Director



Veejay Lakshmi Engineering Works Limited

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF VEEJAY LAKSHMI ENGINEERING WORKS LIMITED ON DECEMBER 22, 2014 AT COIMBATORE

The Board noted that the Company has received the Fairness opinion and other certificates required from the Auditors of the Company for the purpose of making the application under clause 24(f) of the Listing Agreement. The Board RESOLVED that the Bombay Stock exchange be the designated Stock exchange for co-ordinating with SEBI as Bombay Stock Exchange is the only stock exchange where the shares of the Company are listed.

For Veejay Lakshmi Engineering Works Limited

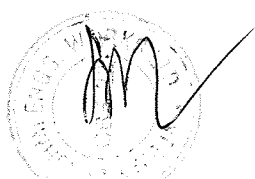
Whole-time Director

**Veejay Lakshmi Engineering Works Limited**

Brief particulars of the transferee/resulting and transferor/demerged companies

Particulars	Transferee/ Resulting Company	Transferor/ Demerged Company
Name of the company	Veejay Lakshmi Engineering Works Limited	Veejay Lakshmi Textiles Limited
Date of Incorporation & details of name changes, if any	26/08/1974	16/07/2001
Registered Office	Sengalipalayam, NGGO Colony post, Coimbatore -641 022	
Brief particulars of the scheme	<p>Scheme of Amalgamation of Veejay Lakshmi Textiles Limited (wholly owned subsidiary of M/s Veejay Lakshmi Engineering Works Limited) with M/s Veejay Lakshmi Engineering Works Limited.</p> <p>The appointed date will be 1.4.2014 or such other date as the High Court of Judicature at Madras modifies and effective date will be the last date on which the certified copy of the order of the court sanctioning the scheme is filed with the Registrar of Companies of Tamilnadu, Coimbatore by the Transferor company and the Transferee Company</p> <p>The whole of the undertaking of the transferor company, as defined in the draft scheme, will be transferred and vested in the transferee Company.</p> <p>There will be no issue of shares in the transferee company and the shareholding will remain the same as before the merger.</p> <p>The entire share capital of the transferor company held by the transferee company will get cancelled.</p> <p>The transferor company, M/s Veejay Lakshmi Textiles Limited will get dissolved without winding up, pursuant to the scheme of amalgamation.</p>	
Rationale for the scheme	<p>The Proposed restructuring by the way of scheme of amalgamation is beneficial and not prejudicial to the interest of the shareholders, creditors and other stake holders. Upon amalgamation, the transferee company will have the following advantages :</p> <ul style="list-style-type: none">(i) The amalgamation will enable consolidation of the business of the group into one entity which will facilitate focussed growth, operational efficiencies and better supervision of the business of the group.(ii) The amalgamation will enable pooling of resources of the transferor and transferee companies, resulting in more productive utilisation of said resources, and cost and operational efficiencies which would be beneficial to all stakeholders(iii) The amalgamation of the Transferor Company with the Transferee Company will help in the creation of a platform for future business activities, and to act as a gateway for growth and expanding business operations.(iv) The amalgamation will also enable smoother implementation of policy changes at a higher level from a management perspective and shall also help enhance the efficiency and control of the entities	

Particulars	Transferee/ Resulting Company	Transferor/ Demerged Company
Date of resolution passed by the Board of Director of the company approving the scheme	13.11.2014	13.11.2014
Date of meeting of the Audit Committee in which the draft scheme has been approved	13.11.2014	13.11.2014
Appointed Date	April 01,2014	
Name of Exchanges where securities of the company are listed	Bombay Stock Exchange Limited	Not Listed
Nature of Business	Manufacturing of Textile Machinery	Manufacturing of Cotton yarn
Capital before the scheme	50,71,900 equity shares of Rs.10/- each amounting to Rs.5,07,19,000/-	12,000,000 equity shares of Rs.10/- each amounting to Rs.12,00,00,000/- and 3,51,00,000 6% Non-cumulative, optionally convertible redeemable preference shares of Rs.10/- each amounting to Rs.35,10,00,000
No. of shares to be issued	NIL	
Cancellation of shares on account of cross holding, if any	The equity and preference shares of the Transferor Company held by the Transferee Company directly and/or through its nominee(s), constituting the entire paid up share capital of the Transferor Company will stand cancelled	The equity and preference shares of the transferor Company are held by the transferee company and will get cancelled on merger.
Capital after the scheme	50,71,900 equity shares of Rs.10/- each amounting to Rs.5,07,19,000/-	NIL
Net Worth Pre(31.03.2014) Post(01.04.2014)	(Rs. in crores) 7.17 6.43	(Rs. in crores) 39.66 Nil
Valuation by independent Chartered Accountant - Name of the valuer/valuer firm and Regn no	Not Applicable	



Particulars	Transferee/ Resulting Company				Transferor/ Demerged Company			
Methods of valuation and value per share arrived under each method with weight given to each method, if any.	Not Applicable							
Fair value per shares	Not Applicable							
Exchange ratio	Not Applicable							
Name of Merchant Banker giving fairness opinion	IndBank Merchant Banking Services Ltd							
Shareholding pattern(based on holdings as on 30.09.2014)	Pre		Post		Pre		Post	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Equity								
Promoter	3142910	61.97	3142910	61.97	12000000	100.00	Nil	Nil
Public	1928990	38.03	1928990	38.03	Nil	Nil	Nil	Nil
Custodian	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
TOTAL	5071900	100%	5071900	100%	12000000	100%	Nil	Nil
No. of shareholders as on 30.09.2014	6564		6564		1			
Preference								
Promoter					35100000	100.00	Nil	Nil
Total					35100000	100.00	Nil	Nil
No. of shareholders					1			
Names of the Promoters	Mr V J Jayaraman Mr J Anand Mrs J Vidya				Veejay Lakshmi Engineering Works Limited Mr V J Jayaraman Mr J Anand			
Names of the Board of Directors	Mr V J Jayaraman – Chairman-cum-Managing Director Mr J Anand- Managing Director Mr D Ranganathan- Whole-time Director Mr N M Ananthapadmanabhan, Director Mr B Sriram, Director Mr N Athimoolam Naidu, Director				Mr V J Jayaraman –Director Mr J Anand- Managing Director Mr D Ranganathan- Director Mr N M Ananthapadmanabhan, Director Mr B Sriram, Director			
Details regarding change in management control if any	There will be no change in Management control.							
For Veejay Lakshmi Engineering Works Ltd								

For Veejay Lakshmi Engineering Works Ltd

(D Ranganathan)

Veejay Lakshmi Engineering Works Limited**Statement of Networth****Pre-amalgamation**

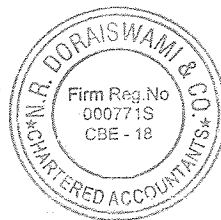
31.03.2014

S.No	Particulars		Rs. In Lakhs
1	Sharecapital		507.19
2	Reserves & Surplus		6663.22
3	Total Net worth Pre merger		7170.41

Post-amalgamation

S.No	Particulars		Rs. In lakhs
1	Sharecapital		507.19
2	Reserves & surplus		
	Pre-merger	6663.22	
	Add :Difference between Liabilities and Assets of the Transferor Company taken over in the books of transferee company	-743.66	5919.56
3	Total Networth Post merger		6426.75

Compilation verified on the basis of records made available



For **N.R.Doraiswami & Co.,**
Chartered Accountants,
(Firm Regn. No.000771S)

B.R. Ranganathan

(B.R.Ranganathan)
Chartered Accountant
(Membership No. 015508)

Place : Coimbatore

Date : 22.12.2014

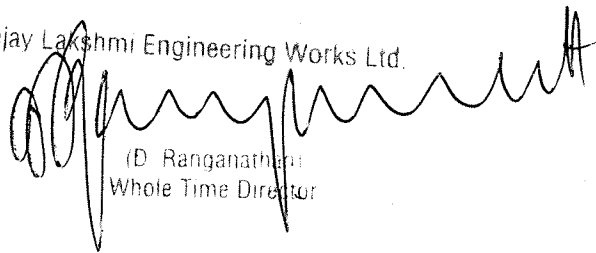
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Veejay Lakshmi Engineering Works Limited

					Annexure VI
Details of Capital evolution of the transferee/resulting Company (Veejay Lakshmi Engineering Works Limited):					
Date of Issue	No. of shares issued	Issue Price (Rs.)	Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.)	Cumulative capital (No of shares)	Whether listed, if not listed, give reasons thereof
Initial paid up capital	1000	1000	Subscribers to the Memorandum, friends and relatives-issue at the time of start-up of the company	1000	
31-08-1981	200	1000	Rights	1200	
06-12-1982	1200		Bonus Shares	2400	
25-05-1994	-2400	1000	sub-division into shares of Rs.10/- each	0	
	240000	10		240000	
18-02-1994	1260000	10	Rights	1500000	
06-07-1994	750000		Bonus shares	2250000	
01-08-1994	450000	85	Rights issue	2700000	
06-10-1994	2371900	85	IPO	5071900	Subsequent to IPO entire capital is listed

For Veejay Lakshmi Engineering Works Ltd.



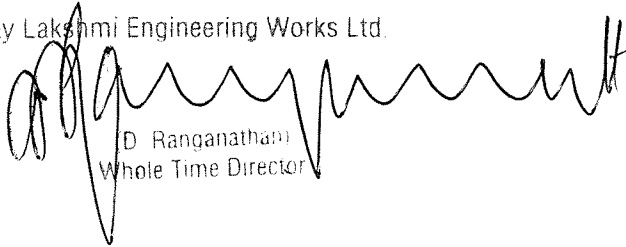
(D. Ranganathan)
Whole Time Director



Veejay Lakshmi Engineering Works Limited

Details of Capital evolution of the transferor/demerged company(Veejay Lakshmi Textiles Limited)							Annexure VI A
Date of Issue/ Allotment	No. of Shares issued (Equity)	No. of Shares issued (Preference)	Issue Price (Rs.) each	Type of Issue (IPO,FPO,Preferential Issue,Scheme, Bonus, Rights etc)	Cumulative Capital-Equity (No. of Shares)	Cumulative Capital-Preference (No. of Shares)	Whether listed, if not listed reasons thereof
16/07/2001	50000		10/-	Subscription to Memorandum	50000	0	Not Listed
31/03/2003	11950000		10/-	Preferential	12000000	0	
29/09/2006		8950000	10/-	Preferential	12000000	8950000	
02-12-2008		3050000	10/-	Preferential	12000000	12000000	
22/08/2013		-12,000,000 (Redeemed)	10/-		12000000	0	
		3,40,00,000	10/-	Preferential	12000000	34000000	
21/02/2014		11,00,000	10/-	Preferential	12000000	35100000	

For Veejay Lakshmi Engineering Works Ltd.



D. Ranganathan
Whole Time Director



Veejay Lakshmi Engineering Works Limited

ANNEXURE VII

To,
The General Manager,
Department of Corporate Services,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai – 400 001.

Dear Sir,

Sub: Application under Clause 24(f) of the listing agreement for the proposed scheme of Amalgamation of Veejay Lakshmi Textiles Limited with Veejay Lakshmi Engineering Works Limited with their respective shareholders

In connection with the above application, we hereby confirm that:

- a) The proposed scheme of amalgamation/ arrangement does not in any way violate or override or circumscribe the provisions of the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Companies Act, 1956, the rules, regulations and guidelines made under these Acts, and the provisions as explained in clause 24(g) of the Listing agreement or the requirements of BSE Limited.
- b) In the explanatory statement to be forwarded by the company to the shareholders u/s 393 or accompanying a proposed resolution to be passed u/s 100 of the Companies Act, it shall disclose:
 - i) the pre and post-arrangement or amalgamation (expected) capital structure and shareholding pattern and
 - ii) The "fairness opinion" obtained from an Independent merchant banker on valuation of assets / shares done by the valuer for the company and unlisted company.
 - iii) The Complaint report as per Annexure III.
 - iv) The observation letter issued by the stock exchange
- c) The draft scheme of amalgamation/ arrangement together with all documents mentioned in Clause 5.16 (c) SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013, has been disseminated on company's website www.veejaylakshmi.com
- d) The company shall disclose the observation letter of the stock exchange on its website within 24 hours of receiving the same.
- e) The documents filed by the Company with the Exchange are same/ similar/ identical in all respect, which have been filled by the Company with Registrar of Companies/SEBI/Reserve Bank of India, wherever applicable.
- f) There will be no alteration in the Share Capital of the unlisted transferor company from the one given in the draft scheme of amalgamation/ arrangement.

Date: 22.12.2014

For Veejay Lakshmi Engineering Works Limited

Managing Director

REGD. OFF : SENGALIPALAYAM, N.G.G.O. COLONY P.O., COIMBATORE - 641 022, INDIA. • PHONE : 91 - 422 - 2460662, 2460365, 2461369

Fax : 91 - 422 - 2460453, 2461565 • E-mail : accounts@veejaylakshmi.com • Website : www.veejaylakshmi.com • CIN : L29191TZ1974PLC000705

Products : Two For One Twisters • Ring Twisters • Precision Assembly Windows • Automatic Core Windows

AUDITOR'S CERTIFICATE

To,

The Board of Directors,
Veejay Lakshmi Engineering Works Limited,
Sengalipalayam, NGGO Colony post,
Coimbatore - 641 022.

1. We, **M/s. N.R.Doraiswami & Co.,** Chartered Accountants (Firm Registration No.000771S), the statutory auditors of **Veejay Lakshmi Engineering Works Limited,** (hereinafter referred to as "the Company"), having its registered office at Sengalipalayam, NGGO Colony post, Coimbatore - 641 022, have examined the proposed "Scheme of Amalgamation between Veejay Lakshmi Textiles Limited ('VLTL') and Veejay Lakshmi Engineering Works Limited ('VLEWL') and their respective shareholders u/s.391 to 394 and other applicable provisions of the Companies Act, 1956 (Section 230 to 240 and the applicable provisions of the Companies Act, 2013, being notified)" (the "Proposed Scheme") for merger of VLTL with VLEWL.
2. We have been requested by the Management of the Company to issue a certificate in accordance with paragraph 24(i) of the listing agreement for submission to Bombay Stock Exchange ('BSE') alongwith the Proposed Scheme.
3. The Management of the Company is responsible for the maintenance of proper books of account and such other relevant records as prescribed by applicable laws, which includes collecting, collating and validating data and designing, implementing and monitoring of internal controls relevant for the preparation of Proposed Scheme and ensuring compliance with the applicable regulations.
4. Our responsibility, for the purpose of this certificate, is limited to certifying whether the proposed accounting treatment in the books of the transferee company as contained in the Proposed Scheme is in compliance with all the Accounting Standards specified by the Central Government in section 211 (3C) of the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs) ("Accounting Standards") and, did not include the evaluation of the adherence by the Company with all the applicable guidelines. We conducted our verification in accordance with the Guideline Note on Audit Reports and Certificates for Special Purposes and Standards on Auditing issued by the Institute of Chartered Accountants of India.
5. On the basis of our verification and examination of the Proposed Scheme and according to the information and explanations provided to us by the management of the company, we certify that accounting treatment specified in paragraph 11 of the Proposed Scheme dealing with accounting treatment in the books of the transferee company, is in compliance with the Accounting Standards.
6. This Certificate is issued at the request of the Management of the Company for submission to the BSE in accordance with paragraph 24(i) of the Listing Agreement and should not be used for any other purpose without our prior written consent.



For **N.R.DORAISWAMI & CO.,**
Chartered Accountants
(Firm Regn.No.000771S)

Suguna
(SUGUNA RAVICHANDRAN)
Partner
Membership No. 207893

PLACE : COIMBATORE
DATE : 05.12.2014

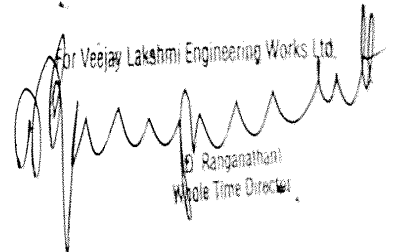
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VEEJAY LAKSHMI ENGINEERING WORKS LIMITED

Certified True Copy.

For Veejay Lakshmi Engineering Works Ltd.

Ranganathan
Whole Time Director

(74)

THIRTY NINTH ANNUAL REPORT 2013-14



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BOARD OF DIRECTORS

Sri V.J. JAYARAMAN
Chairman cum Managing Director

Sri N. M. ANANTHAPADMANABHAN

Sri B. SELVARAJAN

Sri N. ATHIMOOLAM NAIDU

Sri J. VIJAYAKUMAR

Sri J. ANAND
Managing Director

Sri B. SRIRAM

Sri D. RANGANATHAN
Whole Time Director

COMPANY SECRETARY

Sri S. VINOD KUMAR

REGISTERED OFFICE

Sengalipalayam
N.G.G.O. Colony Post
Coimbatore 641 022

AUDITOR

M/s. N.R. Doraiswami & Co
Chartered Accountants
No. 48, Race Course
Coimbatore 641 018

REGISTRAR & SHARE TRANSFER AGENT

M/s. S.K.D.C. Consultants Limited
Kanapathy Towers, 3rd Floor
1391/A-1, Sathy Road, Ganapathy
Coimbatore 641 006

WORKS

Engg. Unit - I

Sengalipalayam
Coimbatore 641 022

Engg. Unit - II & III

Kariyampalayam, Annur
Coimbatore 641 653

Engg. Unit - IV

Athippalayam Road
Vellamada (P.O.)
Coimbatore 641 110

WIND MILLS

- I. Kethanur, Palladam
Tirupur 638 671
- II. Sinjuwadi, Pollachi
Coimbatore 642 007
- III. Irukkanthurai, Radhapuram
Tirunelveli District. 627 011

Wholly-owned Subsidiary Company :

VEEJAY LAKSHMI TEXTILES LIMITED

Registered Office

Sengalipalayam, N.G.G.O. Colony Post
Coimbatore 641 022

**DIRECTORS' REPORT TO THE SHARE HOLDERS**

Your Directors present their report and accounts of the Company for the financial year ended 31st March, 2014.

FINANCIAL RESULTS

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
	(₹ In Lakhs)	(₹ In Lakhs)
Sales Turnover	7021.52	6519.30
Profit before Depreciation, taxes and exceptional items	501.89	556.45
Depreciation	452.86	498.57
Exceptional Items	-	475.37
Net Profit	49.03	(417.49)
Balance brought forward from statement of Profit and Loss Account	893.23	1181.20
Amount available for appropriation	942.26	763.71
APPROPRIATIONS / ADJUSTMENTS		
Provision for Taxes - Current tax	0.37	0.00
- Deferred Tax	(26.54)	(129.68)
Prior year Taxes	(3.73)	0.16
Provision for Dividends	0.00	0.00
Dividend Distribution Tax	0.00	0.00
Transfer to Generation Reserves	0.00	0.00
Balance carried forward to statement of Profit and Loss Account	972.16	893.23
Total	942.26	763.71

PROFITS/DIVIDENDS

The workings during the year 2013-14 have resulted in a net profit (before tax) of ₹ 49 Lakhs as against a net loss (before tax) of ₹ 417 Lakhs in the previous year. As the operating profit is less and since funds are required to reduce the borrowings no dividend is proposed.

OPERATIONS

There has not been any increase in the demand for the products of the company and hence there is only a marginal increase in the sales turnover. The sales of textile machinery and spares during the year under review is ₹ 6,745 Lakhs as against ₹ 6,262 Lakhs in the previous year. The income from the wind mill is lower during the year at ₹ 136 lakhs against ₹ 173 Lakhs in the previous year, mainly due to evacuation problems.

SUBSIDIARY COMPANY

Veejay Lakshmi Textiles Limited is the wholly owned Subsidiary of the company. The Audited accounts of the subsidiary company have been consolidated with the company as on March 31, 2014.

**FINANCE**

There has not been any additional borrowings / limits availed during the year and the working capital limits have been reduced- fund based from ₹ 2,000 Lakhs to ₹ 1,650 Lakhs and non fund based from ₹ 2,000 Lakhs to ₹ 1,870 Lakhs. The repayment of the Term loan from Technology Development Board is made as per schedule and the outstanding has come down to ₹ 334 Lakhs. All interest payments due have been paid in time without any delay.

R & D/ TECHNOLOGY

The focus is on developing new models and new products. The new model of Automatic Cone Winder is still under development and the company also has been making efforts to get the latest technology for the Automatic Cone Winding machines to compete with other manufacturers who have made substantial improvement in technology/design of their products. The company is yet to find a suitable source for the technology.

INDUSTRIAL RELATIONS

The relationship with the workmen has been cordial in all the units of the Company.

FIXED DEPOSITS

The Company has not accepted any deposits from the public during the year and there are no deposits from the public as at 31.3.2014. The Company has an amount of ₹ 133 Lakhs as unsecured loans from Directors.

DIRECTORATE**Independent Directors :**

The Company has four Independent Directors appointed under the provisions of the Companies Act 1956, subject to retire by rotation. As per the provisions of the Companies Act, 2013, Independent Directors are not liable to retire by rotation and they can be appointed for a term of five years. It is proposed to appoint the existing Independent Directors to hold office for a period of five years.

Directors retiring by rotation : Mr. D. Ranganathan is liable to retire by rotation and is eligible for re-appointment.

The profile of the Directors to be appointed/reappointed in the ensuing Annual General Meeting has been given in the notice convening in the annual general meeting.

AUDITORS

M/s. N.R. Doraiswami & Co, Chartered Accountant, Coimbatore, The Statutory Auditors of the Company, retire at the ensuing Annual General meeting and are eligible for re-appointment.

The Company has received a letter from said audit firm, stating that the appointment, if made, will be within the limit prescribed under Section 139 of the Companies Act, 2013.

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Information on the performance of the company is given in the Management Discussion and analysis report which forms a part of the annual report and has been prepared in accordance with clause 49 of the listing agreement.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, the report on Corporate Governance together with the Certificate issued by statutory auditors of the company regarding the compliance of the conditions of corporate governance forms a part of this report.

INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956

The information pursuant to provisions of 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 in the Annexure to this report.

PARTICULARS OF EMPLOYEES

There are no employees within the meaning of sub section (2A) of section 217 who are paid remuneration in excess of the amounts prescribed.

DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated under Section 217(2AA) of the Companies Act, 1956. The Directors hereby state that:

- That in preparation of annual accounts for the financial year ended March 31, 2014, the applicable Accounting standards have been followed along with proper explanation relating to material departures.
- That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable 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 also of statement of Profit and Loss Account of the Company for the year ended 31st March, 2014.
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- That your Directors have prepared the annual accounts for the Financial year ending March 31, 2014 on a going concern basis.

ACKNOWLEDGEMENT

The Board of Directors wishes to place on record their sincere appreciation to the customers, suppliers, business partners and group companies and shareholders for their support. The Directors would like to thank the Bankers and financial institutions as well. The Directors would take this opportunity to express their appreciation for the dedicated efforts of the employees and their contribution which is deeply acknowledged.

For and on behalf of the Board of Directors

Coimbatore
26th May, 2014

(Sd/-) V.J. JAYARAMAN
Chairman cum Managing Director



ANNEXURE TO DIRECTORS' REPORT

INFORMATION PURSUANT TO SECTION 217(1)(E) OF THE COMPANIES ACT, 1956
DISCLOSURE OF PARTICULARS AS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988

FORM A

A) CONSERVATION OF ENERGY: Not applicable -

FORM B

B) TECHNOLOGY ABSORPTION:

I Research & Development

- Specific areas in which R & D is carried out by the Company:
The Company continues its efforts for development of existing products and new models.
- Benefit derived as a result of the above R & D:
The performance of the machines has been improved and new products/models are developed to widen the application. Components are indigenised to reduce the import content.
- Future Plan of Action:
The Company will continue its R & D efforts for up-gradation of product quality and manufacturing process, indigenization of components for import substitution and development of new models.
- Expenditure on R & D:
 - Capital ₹ Nil (Previous Year: Nil)
 - Recurring - Salaries, power charges and other expenses - ₹ 47.69 (Previous Year: ₹ 94.55 Lakhs)
 - Total R & D expenditure ₹ 47.69 Lakhs (Previous Year 94.55 Lakhs)
 - Total R & D expenditure as a percentage of turnover : 0.67% (Previous Year 1.44%)

II. Technology Absorption, Adaptation and Innovation:

- Efforts in brief, made towards technology absorption, adaptation and Innovation.
The Company has been able to develop a major portion of the components indigenously and keep down the cost of production.
- Benefits derived as a result of the above efforts:
The Company is able to offer sophisticated machines of latest technology at competitive prices in India.
- Details of Technology imported during the last 5 years : Nil
Technology Imported :
Year of Import :
Has technology been fully absorbed :
If not fully absorbed, area where this has not taken place, reasons therefor and future plans of action : } Not applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO	₹ in Lakhs	
	31.03.2014	31.03.2013
Total foreign Exchange Earned		
Sale of Machinery and Spares	545	661
Total foreign exchange used		
Capital Goods Imported - CIF	156	46
Raw materials, Components, Spares and Consumables, Imported - CIF	1778	1380
Other matters - Travelling, Books and periodicals, interest etc.	35	11
Total	1813	1391
Deemed Exports (Supplies to EOUs, EPGC, Licence Holders etc.	1653	1289

For and on behalf of the Board of Directors

Coimbatore
26th May, 2014

(Sd/-) V.J. JAYARAMAN
Chairman cum Managing Director

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

As required under clause 49 of the listing agreement, a detailed report on the management discussion and analysis is given below:

INTRODUCTION

The Company started its operations in the year 1975 to produce Twisting machines. The Company has been specializing in the Twisting machines and Automatic Cone Winder was added to the product line in the year 1998. Both the products are used in textile mills for post spinning/weaving preparatory operations. The Company diversified into textile spinning in the year 1993 and the textile unit now functions under a wholly owned subsidiary from 2003. The Company has also invested in Wind Mills.

INDUSTRIAL SCENARIO

The prospects of the textile engineering industry are directly related to the prospects of the textile industry in India. The Indian textile engineering industry is not able to fully utilize its capacities because of fluctuating demand and also competition from foreign manufacturers who supply machines of latest/sophisticated technology. Machines of latest technology with high level of automations are mostly imported and the local industry is not able to match the technology levels of foreign manufacturers. This is the main reason for low capacity utilization by local manufacturers.

HIGHLIGHTS OF OPERATIONS**SEGMENTWISE/PRODUCTWISE PERFORMANCE**

The sale of Twisters is 165 nos of value ₹ 2,432 Lakhs as against 104 Nos. of value ₹ 1,501 Lakhs in the previous year. The sale of winders is 45 Nos. of value ₹ 3,247 Lakhs as against 51 Nos. of value ₹ 3,869 Lakhs in the previous year.

Assembly/Random winder sales have decreased from ₹ 141 Lakhs to ₹ 113 lakhs. The facilities available to produce Aluminium die cast and Plastic injection moulded components have been used only for in-house requirement of components.

The income from windmills is ₹ 136 lakhs as against ₹ 173 lakhs in the previous year.

RISKS & CONCERNS:

The user industry prefers machines of latest technology with high level of automation/productivity and low consumption of power. They also expect the local products to be available at lower prices than the imported machines, even if locally made machines are able to match the machines from foreign competitors in terms of performance and quality. The future of the company will depend upon its ability to keep pace with the technology levels of the competitors and offer lower prices than the foreign manufacturers.

The technology for winding machines of other manufacturers have substantially improved with high level of automation and the new projects mostly prefer to have machines which are directly linked with the Ring Frames. The technology level of independent winding machines has also improved with higher winding speeds and less power consumption. While the company is trying to improve the technology with its own R & D efforts, it has also been looking for technology from other sources, but is yet to find a source to provide the technology on viable terms.



New models and improvement in existing models are being made in Twisting machines mainly focusing on power consumption. The competition is intense for twisting machines and the Company has to operate with thin margins.

OUTLOOK

The new models of twisting machines could improve the sale of twisting machines marginally. In case of winding machines, the company will try to maintain the existing volumes.

INTERNAL CONTROL SYSTEM AND ADEQUACY

The Company has a proper and adequate system of internal controls commensurate with its size and nature of business.

All the assets are safeguarded, properly utilized and protected against loss from unauthorized use or disposition and the transactions are authorised, recorded and reported correctly.

A Chartered Accountant carries out the audit on monthly basis to monitor the effectiveness of the internal checks and controls in different areas and reports/suggests improvement measures for review by the management.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company has a dedicated team of professionally qualified/experienced personnel in all functional areas. Opportunities are provided for self-development and career growth and wherever necessary employees are sent for training programme conducted in house and also outside by other professional bodies. The industrial relationship was cordial throughout the year.

CAUTIONARY STATEMENT

Statements in this report on management discussion and analysis describing the Company's future objectives, projections, estimate and expectations may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events, as they are perceived by the management at this juncture. The actual results, however, may differ materially from those which have been made explicit or which are implied. The major factors that could make a difference to the Company's operations include the supply demand condition of the Company's products, both domestic and global, the price realizations, which are market related, and all other factors such as litigation and industrial relations.

For and on behalf of the Board of Directors

Coimbatore
26th May, 2014

(Sd/-) V.J. JAYARAMAN
Chairman cum Managing Director



CORPORATE GOVERNANCE REPORT

Company's Philosophy on Corporate Governance:

The Company's philosophy on Corporate Governance stresses the importance of transparency, accountability and protection of shareholder interests.

Board of Directors

The Board of Directors of the Company has an optimum combination of executive and non-executive directors and is in conformity with Clause 49 of the Listing Agreement. The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the financial year 2013-14 and at the last Annual General Meeting (AGM), as also the number of directorships and committee positions held by them in other public limited companies as on March 31, 2014 are as under:

Name of the Director	Category	No. of Board Meetings		Attendance at the last AGM held on 25.09.2013	No. of Directorships in other companies	Committee position #	
		Held	Attended			Member	Chairman
Sri. V.J. Jayaraman	Executive (promoter)	4	4	YES	4	-	-
Sri. J. Anand	Executive (Promoter)	4	4	YES	6	-	-
Sri. J. Vijayakumar	Non-executive Non-Independent	4	4	YES	4	3	-
Sri. B. Selvarajan	Non-Executive Independent	4	4	NO	2	1	-
Sri. N. Athimoolam Naidu	Non-Executive Independent	4	2	NO	3	-	-
Sri. B. Sriram	Non-Executive Independent	4	4	YES	3	1	-
Sri. N.M. Ananthapadmanabhan	Non-Executive Independent	4	4	YES	1	-	1
Sri. D. Ranganathan	Executive Non-Independent	4	4	YES	2	-	-

* Includes private limited companies

Committee Positions includes positions in other companies only

In terms of Clause 49(IV)(G)(ia) of the Listing Agreement, it is hereby disclosed that Chairman-cum-Managing Director and Managing Director are related inter-se. Mr. J Vijayakumar is the Brother of Chairman-cum-Managing Director.

The Board met four times during the financial year 2013-14 Viz., 30.05.2013, 05.08.2013, 08.11.2013 and 13.02.2014. The gap between any two Board Meetings did not exceed four months.

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees (as per Clause 49(II)(C)(i) of the Listing Agreement across all the companies in which he is a Director. All the Directors have made the requisite disclosures regarding Committee positions held by them in other public limited companies.

**Code of Conduct for Directors and Senior Management**

The Company has a Code of Conduct for the Directors and senior management personnel, which is in compliance with the requirements of Clause 49 of the Listing Agreement. The Code of conduct has also been displayed on the Company's website.

Further, all the Board members and senior management personnel have affirmed compliance with the Code of conduct. A declaration to this effect signed by the CEO forms part of this Report.

COMMITTEES OF THE BOARD:**Audit Committee**

The Audit committee has been formed pursuant to Section 292A of the Companies Act, 1956 and pursuant to Clause 49 of the Listing Agreement.

Composition

The Audit Committee of the Board was formed in January 2001. The Members of the Committee comprises of the following Independent Directors:

1. Sri. N.M. Ananthapadmanabhan, Chairman
2. Sri. S. Belvarajan, Member
3. Sri. B. Sriram, Member

Terms of Reference

- I. To oversee the company's financial reporting process and disclosures of financial information.
- II. To review and discuss with the Auditors about the internal control systems, the scope of audit including the observations from the auditors.
- III. Adequacy of the internal audit functions, review of major accounting policy and of accounting standards.
- IV. To review the quarterly, half yearly and annual financial statements before submission to the Board of Directors.

Meetings of the Audit Committee

The Audit Committee met four times during the financial year 2013-14 on 30.05.2013, 05.08.2013, 08.11.2013 and 13.02.2014

Name of the Member	Position Held	No. of Meetings Held	No. of Meetings Attended
Mr. N.M. Ananthapadmanabhan	Chairman	4	4
Mr. B. Selvarajan	Member	4	4
Mr. B. Sriram	Member	4	4

The Statutory Auditors, the Internal Auditors and Whole-Time Director are invited to attend the Meeting of the Committee. The Company Secretary of the company shall act as the Secretary of the Committee.

The Chairman of the Audit Committee was present at the last Annual General Meeting (AGM) held on 25.09.2013.



The Committee has reviewed the financial statements of the Company including consolidated financial statements and recommended the same to the Board for their adoption.

The committee also reviews the internal audit report, internal control systems and related party transactions periodically.

REMUNERATION COMMITTEE

Composition

The remuneration Committee of the Board was formed in October 2003 and comprises of the following Independent directors:

1. Sri. N.M. Ananthapadmanabhan, Chairman
2. Sri. B. Selvarajan, Member
3. Sri. B. Sriram, Member

The terms of reference of the Remuneration Committee include formulating the policies for payment of remuneration to the Executive Directors and such other functions as may be delegated to it by the Board of Directors.

Non-executive Directors

The Company pays a sum of ₹ 5000 to Independent Directors for attending the Board meeting and ₹ 5000 for the Committee thereof attended by the Directors.

Details of remuneration for the year 2013-14

(I) Non-Executive Directors :

Name of the Director	Sitting fees Paid in ₹	Commission	Shares held
Sri. N.M. Ananthapadmanabhan	34,000	NIL	NIL
Sri. J. Vijaykumar	17,500	NIL	NIL
Sri. B. Sriram	34,000	NIL	NIL
Sri. Athimoolam Naidu	7,500	NIL	67,840
Sri. B. Selvarajan	34,000	NIL	3,850

(II) Executive Directors :

Name	Designation	Salary & Perquisites in ₹
Sri. V.J. Jayaraman	Chairman-cum-Managing Director	41,013
Sri. J. Anand	Managing Director	33,63,540
Sri D. Ranganathan	Whole-Time Director	10,40,256

Shareholder and Investor Grievances Committee

The Shareholder and Investor grievances committee consists of the following three members:

1. Sri. N.M. Ananthapadmanabhan, Chairman
2. Sri. N. Athimoolam Naidu, Member
3. Sri. D. Ranganathan, Member

The Company Secretary acts as the Secretary to the Committee and has been appointed as the Compliance officer of the Company.

The Committee meets as when required, to inter alia deal with matters relating to its term of reference.



Term of Reference :

1. Redressal of shareholder and investors complaints including, but not limiting to transfer of shares and issue of duplicate share certificates, non-receipt of balance sheet, non-receipt of declared dividends, etc.;
2. Monitoring transfers, transmissions, dematerialisation, rematerialisation; splitting and consolidation of shares issued by the Company;
3. And such other acts, deeds, matters and things as may be stipulated in terms of the Listing Agreement with the Stock Exchanges and / or such other regulatory provisions and as also as the Board of Directors may consider think fit for effective and efficient redressal of shareholders and / or investors' grievances.

Based on the report received from SKDC Consultants Limited, the Registrar & Share Transfer Agent, the Company received NIL requests / complaints during the year ended March 31, 2014. As on March 31, 2014 there were no pending requests/complaints from any shareholder.

General Body Meetings:

The Date, time venue of the Last three annual general Meetings are given Below :

Financial Year	Date	Time	Location	Special Resolutions Passed
2012-13	25.09.2013	10.45 AM	Nani Palkhivala Auditorium, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641 037	Special Resolutions were passed for Re-appointment of Mr. J Anand as a Managing Director and Mr D Ranganathan, Whole-time Director
2011-12	27.09.2012	10.45 AM	-do-	Special Resolution was passed for re-appointment of Mr. V.J. Jayaraman, as a Managing Director
2010-11	15.09.2011	10.45 AM	-do-	Special Resolution was passed for appointment of Mrs. Arthi Anand, a relative of Managing Directors to Hold office of place of profits

Postal Ballot

No special resolution was passed through Postal Ballot during the Financial Year 2013-14.

Disclosures

A) Related Party Transactions

The company did not have any materially significant related party transactions having potential conflict with the interest of the company at large. The Details of the related party transaction as per Accounting Standards 18 forms a part of Notes on accounts of the Financial Statements.

B) Accounting Treatment:

The company has followed accounting treatment as prescribed in Accounting Standard applicable to the company.

**C) Compliance By The Company:**

The Company has complied with the requirements of the Listing Agreement as well as SEBI regulations and guidelines. There were no penalties imposed or strictures passed on the Company by the stock exchanges, SEBI or any other statutory authority on any matter related to capital markets, during last three years.

The Company has implemented the mandatory requirements of Corporate Governance as set out in the Listing Agreement. In respect of compliance with the non-mandatory requirements, the Company has constituted a Remuneration Committee, the details whereof are given under the heading "Remuneration Committee"

Means of Communication

- The Quarterly results as well as annual results as required under clause 41 of the listing agreement are published in one daily English Newspaper "The Financial Express" and one regional Tamil newspaper "Malai Malar"
- The Annual Reports and quarterly reports are made available in the "investor" section of the company's website www.veejaylakshmi.com which is user friendly and are easily downloadable.

General Shareholder Information:**1. AGM:**

AGM Date	25/09/2014
Time	10.45 a.m.
Venue	Nani Palkhivala Auditorium, Mani Higher Secondary School premises, Coimbatore - 641 037

2. Financial Calendar for 2014-15

Financial Year : 1st April, 2014 to 31st March, 2015

Board meeting dates for approval of quarterly results:

1st Qtr. ended on June 30, 2014 : within 45 days from the close of quarter

2nd Qtr. ended on September 30, 2014 : within 45 days from the close of quarter

3rd Qtr. ended on December 31, 2014 : within 45 days from the close of quarter

4th Qtr. ended on March 31, 2015 : within 60 days from the close of quarter

3. Book Closure dates : 16.09.2014 to 25.09.2014 (both days inclusive)

4. Dividend Payment Date : NA

5. Listing on Stock Exchanges :

The Equity shares of the company are listed in Bombay Stock Exchange. The Company has paid the listing fees to the stock exchanges for the Financial Year 2014- 15.

6. Stock Code:

Bombay stock Exchange limited: 522267

ISIN with NSDL and CDSL: Equity Shares: INE466D01019

**7. Stock Market price data**

Market price data (High/Low) during each month in the financial year 2013-2014 on the BSE Limited are as under:

Month	High (₹)	Low (₹)
April - 2013	26.00	18.00
May - 2013	21.85	18.10
June - 2013	21.70	18.00
July - 2013	26.75	17.50
August - 2013	24.00	17.05
September - 2013	24.00	16.70
October - 2013	24.50	20.15
November - 2013	33.70	19.35
December - 2013	32.00	25.00
January - 2014	39.00	26.25
February - 2014	41.65	32.60
March - 2014	35.50	28.35

8. Registrar and share transfer Agents :

SKDC Consultants Limited
Kanapathy Towers
3rd Floor, 1391/A-1, Sathy Road
Ganapathy,
Coimbatore - 641 006
Telephone: +91 0422-6549995, 2539835,
Email: info@skdc-consultants.com
Web: www.skdc-consultants.com

9. Share transfer system:

The share transfers are registered and returned within a period of thirty days from the date of receipt if documents are in order. The Share transfers are approved by share transfer committee, which meets as and when required.

10. Distribution of Shareholding as on 31st March, 2014

Shareholding of Nominal value of ₹ 10 each	No. of Shareholders	% of Shareholders	Shareholding in ₹	% of Shareholding
Upto 5,000	6337	93.40	76,68,140	15.12
5,001 to 10,000	217	3.20	17,43,890	3.44
10,001 to 20,000	108	1.59	16,05,040	3.16
20,001 to 30,000	42	0.62	10,62,890	2.10
30,001 to 40,000	26	0.38	9,23,460	1.82
40,001 to 50,000	12	0.18	5,51,520	1.08
50,001 to 1,00,000	20	0.29	15,46,620	3.05
1,00,001 and above	23	0.34	3,56,17,440	70.23
GRAND TOTAL	6785	100.00	5,07,19,000	100.00

11. Categories of shareholders as on 31st March, 2014

Category	No. of Shares Held	% of Shareholding
Promoter Holding		
1. Promoter Holding	30,89,626	60.92
Public Share Holding		
2. Mutual Funds and UTI	200	0.01
3. Banks, Fin. Institutions, Insurance Companies and Govt. companies	600	0.01
4. FIIS	-	-
Others		
5. Directors & Relatives*	73,040	1.44
6. Private Corporate Bodies	2,19,239	4.32
7. Indian Public	16,64,782	32.82
8. NRI/OBC's	24,413	0.48

* Inclusive of 67,840 shares held by a NRI Director.

12. Dematerialization of shares:

Mode	No. of Shares	%
Demat	36,39,556	71.76
Physical	14,32,344	28.24
TOTAL	50,71,900	100.00

13. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued GDRs/ADRs/Warrants or any other instrument convertible into equity.

14. Plant locations:

The Company's plants are located as under:

1. Unit I : Sengalipalayam, NGGO Colony Post, Coimbatore-641 022
2. Unit II&III : Kariyampalayam, Annur, Coimbatore - 641 653
3. Unit IV : Athipalayam Road, Vellamadai (P.O.), Coimbatore - 641 110
- Wind Mills :
 1. Kethanur, Palladam, Tirupur - 638 671
 2. Sinjuwadi, Pollachi, Coimbatore - 642 007
 3. Irukkanthurai, Radhapuram, Tirunelveli - 627 011

15. Address for Correspondence

For any assistance, request or instruction regarding transfer or transmission of shares, dematerialisation of shares, change of address, non-receipt of annual report, dividend warrant and any other query relating to the Company, the investors may please write to the following address:

SKDC Consultants Limited Kanapathy Towers 3 rd Floor, 1391/A-1, Sathy Road Ganapathy, Coimbatore - 641 006 phone: +91 0422-6549995, 2539835, Email: info@skdc-consultants.com Web: www.skdc-consultants.com	The Company Secretary, Veejay Lakshmi Engineering Works Ltd Sengalipalayam, NGGO Colony post, Coimbatore- 641 022 Phone: +91-422- 2460 662 Email: accounts@veejaylakshmi.com compsec@veejaylakshmi.com
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DECLARATION PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT AND ETHICS

Pursuant to Clause 49 (1) (D) of the Listing Agreement, I hereby declare that for the financial year ended March 31, 2014 the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company. It is also confirmed that the Code of Conduct has already been posted on the website of the Company.

Coimbatore
26.05.2014

(Sd/-) J. ANAND
Managing Director

CERTIFICATION BY CEO/CFO UNDER CLAUSE 49 V OF THE LISTING AGREEMENT

To

The Board of Directors,
Veejay Lakshmi Engineering Works Limited,
Coimbatore - 641 018.

We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2014 and that to the best of their knowledge and belief.

- (a) (i) These statements do not contain any materially untrue statement or omit any Material fact or contain statements that might be misleading.
- (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee :
 - (i) Significant changes in internal control over financial control over financial reporting during the year.
 - (ii) Significant changes in accounting policies made during the year and the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Coimbatore
26.05.2014

(Sd/-) J. ANAND
Managing Director

(Sd/-) D. RANGANATHAN
Whole-Time Director



CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

We have examined the compliance of conditions of Corporate Governance by M/s. Veejay Lakshmi Engineering Works Limited for the year ended 31st March, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement with the Stock Exchanges for the year ended 31st March, 2014.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders'/Investors' Grievance Committee.

We further state that our examination of 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 N.R. DORAISWAMI & CO.
Chartered Accountants
(Firm Regn. No. : 000771S)

(Sd/-) SUGUNA RAVICHANDRAN
Partner
(Membership No. 207893)

Coimbatore
26.05.2014



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF M/s. VEEJAY LAKSHMI ENGINEERING WORKS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of M/s. Veejay Lakshmi Engineering Works Limited which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- 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**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") 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.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **N.R. DORAISWAMI & CO.**
Chartered Accountants
(Firm Regn. No. : 000771S)

(Sd/-) **SUGUNA RAVICHANDRAN**
Partner
(Membership No. 207893)

Coimbatore
26.05.2014

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1 under the heading "Report on other Legal and Regulatory Requirements" of our report of even date)

- i) In respect of its Fixed Assets:
 - a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
 - b) The fixed assets of the company have been physically verified during the year by the management and no material discrepancies between the book records and the physical inventory have been noticed.
 - c) No substantial part of fixed assets of the company has been disposed off during the year.
- ii) In respect of its Inventories:
 - a) The inventories of the company at all its locations have been physically verified by the management during the year.
 - b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
 - c) The company has maintained proper records of inventories and the discrepancies between the physical inventories and the book records which have been properly dealt with in the books of account were not material.
- iii) In respect of loans, secured or unsecured, granted or taken by the Company to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, according to the information and explanations given to us:
 - a) The Company had taken loans from 5 parties. The maximum amount involved during the year was ₹ 132.99 lakhs and the year end balance of loans taken from such parties was ₹ 132.99 lakhs.
 - b) In our opinion the rate of interest and other terms and conditions on which loans have been taken from parties listed in the registers maintained under section 301 are not, prima facie, prejudicial to the interest of the Company.
 - c) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
 - d) There is no overdue amount of loans taken from parties listed in the registers maintained under Section 301 of the Companies Act, 1956. The repayment of the principal amount is as per the agreed terms.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any major weakness in internal controls.
- v) In respect of contracts and arrangements entered in the register maintained in pursuance of section 301 of the Companies Act, 1956:
 - a) To the best of our knowledge and belief and according to the information and explanations given to us, contracts and arrangements that needed to be entered into the register have been so entered.
 - b) In our opinion and according to the information and explanations given to us, the transactions in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to ₹ 5.00 lakhs or more in respect of any party have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) Based on our scrutiny of the Company's records and according to the information and explanation provided by the management, the company has not accepted any deposits from the public and hence the provisions of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable.
- vii) In our opinion, the company's present internal audit system is commensurate with its size and nature of its business.
- viii) We have broadly reviewed the books of accounts maintained by the company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However we have not made a detailed examination of the records.



- ix) According to the information and explanations given to us in respect of statutory and other dues:
- the Company has been regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, wealth tax, sales tax, service tax, customs duty, excise duty and cess.
 - according to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, service tax, customs duty and excise duty were outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.
 - at the end of the financial year there were no dues of Sales Tax, Income Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute except as follows:

Name of the Statute	Nature of the Dues	Amount ₹ in Lakhs	Forum where dispute is pending
Central Excise Act, 1944	Central Excise & Service Tax	44.48*	Customs, Central Excise and Service Tax Appellate Tribunal

* Includes 0.24 lakhs pre-deposit amount paid.

- x) The Company has no accumulated losses at the end of the financial year. The Company had not incurred any 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 defaulted in the repayment of dues to financial institutions and banks.
- xii) According to the information and explanations given to us, the Company has not given any 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 and as such reporting under clause 4 (xiii) of the Order is not applicable to the Company.
- xiv) The Company is not dealing or trading in shares, securities, debentures and other investments and as such clause 4 (xiv) of the Order is not applicable to the Company.
- xv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions, are not prima facie prejudicial to the interest of the Company.
- xvi) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were, prima facie, applied by the Company during the year for the purposes for which the loans were obtained.
- xvii) On the basis of review of utilization of funds on an overall basis, in our opinion, the funds raised on short term basis have not been used for long term investment during the year.
- xviii) The company has not made any preferential allotment of shares during the year.
- xix) The Company has not issued any debentures during the year.
- xx) The Company has not raised any money by public issue during the year.
- xxi) During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have not come across any instance of fraud on or by the Company nor have been informed by the management of any such instance being noticed or reported during the year.

For N.R. DORAISWAMI & CO.
Chartered Accountants
(Firm Regn. No. : 000771S)

Coimbatore
26.05.2014

(Sd/-) SUGUNA RAVICHANDRAN
Partner
(Membership No. 207893)

BALANCE SHEET AS AT 31ST MARCH 2014

Particulars	Note No.	Figures at the end of the current reporting period As at 31.03.2014	Figures at the end of the previous reporting period As at 31.03.2013
₹ in lakhs			
I. EQUITY SHARES AND LIABILITIES			
(1) Share Holder's Funds			
(a) Share Capital	1	507.19	507.1
(b) Reserves and Surplus	2	6,663.22	6,584.2
Sub total (1)		7,170.41	7,091.4
(2) Non Current Liabilities			
(a) Long Term Borrowings	3	299.99	466.9
(b) Deferred Tax Liabilities (Net)	4	174.91	201.4
(c) Other Long term Liabilities	5	0.00	82.1
(d) Long-term Provisions	6	59.94	51.9
Sub total (2)		534.84	802.5
(3) Current Liabilities			
(a) Short term Borrowings	7	261.11	24.3
(b) Trade Payables	8	121.92	285.9
(c) Other Current Liabilities	9	632.82	772.4
(d) Short-term provisions	10	66.43	133.4
Sub total (3)		1,082.28	1,216.1
TOTAL LIABILITIES		8,787.53	9,110.1
II. ASSETS			
(1) Non-current Assets			
(a) Fixed Assets			
i) Tangible Assets	11	2,518.16	2,769.1
ii) Intangible Assets		7.39	19.9
Sub total (1)		2,525.55	2,789.0
(b) Non current Investments	12	2,801.85	2,401.8
(c) Long Term Loans and Advances	13	26.34	485.9
Sub total (2)		5,353.74	5,657.7
(2) Current Assets			
(a) Inventories	14	2,909.79	2,831.1
(b) Trade Receivables	15	74.88	55.1
(c) Cash and Cash equivalents	16	30.79	98.1
(d) Short term Loans and Advances	17	114.30	146.1
(e) Other current assets	18	304.03	320.1
Sub total (3)		3,433.79	3,452.1
TOTAL ASSETS		8,787.53	9,110.1

See accompanying notes to the financial statements

As per our report attached	V.J. JAYARAMAN	J. ANAND
For N.R. DORAISWAMI & CO.	Chairman Cum Managing Director	Managing Director
Chartered Accountants		
(Firm Registration No. 000771S)	D. RANGANATHAN	S. VINOD KUMAR
Coimbatore	Whole-Time Director	Company Secretary
26th May, 2014	(Sd/-) SUGUNA RAVICHANDRAN	
	Partner, (Membership No. 207893)	

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	Note No.	Figures for the current reporting period As at 31.03.2014 ₹ in lakhs	Figures for the previous period As at 31.03.2013 ₹ in lakhs
I. Revenue from operations	19	7,098.55	6,570.85
II. Other Income	20	18.71	8.66
III. Total Revenue (I+II)		<u>7,117.26</u>	<u>6,579.51</u>
IV. Expenses			
Cost of Materials Consumed	21	3,015.03	2,811.24
Changes in Inventories of Finished goods, Work-in process and Stock in trade	22	594.46	787.96
Employees Benefit Expense	23	1,275.21	1,136.54
Finance Costs	24	58.53	72.09
Depreciation and Amortization Expenses		452.86	498.57
Other expenses	25	1,672.14	1,215.23
Total Expenses		<u>7,068.23</u>	<u>6,521.63</u>
V. Profit before exceptional and extraordinary items and tax (III-IV)		49.03	57.88
VI. Exceptional items		0.00	475.37
VII. Profit before extraordinary items and tax (V-VI)		49.03	-417.49
VIII. Extraordinary items		-	-
IX. Profit before Tax (VI - VIII)		49.03	-417.49
X. Tax Expense :			
Current Tax		0.37	0.00
Prior year taxes		-3.73	0.16
Deferrec Tax		-26.54	-129.68
XI. Profit and Loss for the period from continuing operations (IX-X)		78.93	-287.97
XII. Profit/loss from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/loss from discontinuing operations (after tax)		0.00	0.00
XV. Profit/(loss) for the period		78.93	-287.97
Basic and Diluted		1.56	-5.68

See accompanying notes to the financial statements

As per our report attached	V.J. JAYARAMAN	J. ANAND
For N.R. DORAISWAMI & CO.	Chairman Cum Managing Director	Managing Director
Chartered Accountants		
(Firm Registration No. 000771S)	D. RANGANATHAN	S. VINOD KUMAR
(Sd/-) SUGUNA RAVICHANDRAN	Whole-Time Director	Company Secretary
Coimbatore		
26th May, 2014	Partner, (Membership No. 207893)	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Note No.	Particulars	Figures for the current reporting period As at 31.03.2014 ₹ in lakhs	Figures for the previous period As at 31.03.2013 ₹ in lakhs
1.	Share Capital		
	Equity Share Capital	10.00	10.00
	Face/par value per share-Rs.	60,00,000	60,00,000
	Authorised Capital-Number of shares	600.00	600.00
	Authorised Capital-Amount Rs. in lakhs		
	Issued, Subscribed and fully paid up Capital -		
	No. of shares	50,71,900	50,71,900
	Total paid up Capital Value Rs. in lakhs	507.19	507.19
	Subscribed but not fully paid	Nil	Nil
	No. of shares paid up outstanding at the beginning of reporting period	50,71,900	50,71,900
	Changes during the reporting period	Nil	Nil
	No. of shares paid up outstanding at the end of reporting period	50,71,900	50,71,900
	No. of shares held by persons holding more than 5% of total shares		
	Sri V.J. Jayaraman	12,25,385	12,25,385
	Smt J. Vidya	7,25,700	7,25,700
	Sri J. Anand	11,09,807	11,09,807
	Shares reserved for issue of options etc.	-	-
	Shares issued for consideration other than cash or as Bonus shares or shares bought back in the last 5 years	-	-
	Securities that can be convertible into shares	-	-
	Calls unpaid	-	-
	Forfeited shares	-	-
2.	Reserves and Surplus		
	(a) Securities Premium Reserve	2,116.43	2,116.43
	Share Premium Account		
	(b) Other Reserves		
	General Reserve	3,574.63	3,574.63
	Balance at the beginning of the reporting period	-	-
	Additions During the year	3,574.63	3,574.63
	Balance at the end of the reporting period		
	(c) Surplus-Balance in Profit and Loss statement	893.23	1161.20
	Balance at the beginning of the reporting period	78.93	-287.97
	Add : Current year surplus	-	-
	Less : Transfer to general reserve	-	-
	Less : Proposed to Dividend	-	-
	Less : Dividend Distribution Tax	-	-
	Closing Balance	78.93	-287.97
	Balance at the end of the reporting period	972.16	893.23
	Total Reserves and Surplus	<u>6,663.22</u>	<u>6,584.29</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Note No.	Particulars	Figures for the current reporting period As at 31.03.2014 ₹ in lakhs	Figures for the previous period As at 31.03.2013
3. LONG TERM BORROWINGS			
	Technology Development Board		
	Secured by hypothecation of moveable Fixed Assets of the Company and guarantees by two Directors of the Company and also the guarantee of the subsidiary. Repayment 2014-15 ₹ 167 lakhs, 2015-16 ₹ 167 lakhs. Excludes installments of ₹ 167 lakhs due before 31.03.2015 included under current liabilities	167.00	334.00
	Total Secured	167.00	334.00
	Unsecured-Loans and Advances from Related parties		
	Loans from Directors	132.99	132.99
	Unsecured loans are from promoters and have no fixed maturity. It is repayable at the option of the company or the promoters. However, promoters have agreed to give atleast 12 months notice for withdrawal. The amount to be withdrawn in the next 12 months from the balance sheet date has been classified as current liability based on the information provided by the promoters.		
	Total Unsecured Loans	132.99	132.99
	Total Long Term Borrowings	299.99	466.99
	Secured/Unsecured borrowings - There is no default/delay in repayment of principal or interest and no amount is over due as at the end of the reporting period.		
	There is no redeemed bonds/debentures for which the Company has power to issue		
4. DEFERRED TAX LIABILITIES			
	Items considered for Deferred Tax Liability/Asset :		
	Depreciation	950.00	1137.00
	Deferred Tax Liability-A	308.33	368.94
	Carry forward Loss and other timing difference items	411.23	516.23
	Deferred Tax Asset-B	133.42	167.49
	Deferred Tax Liability-Net (A-B)	174.91	201.45
5. OTHER LONG TERM LIABILITIES			
	Interest accrued not due payable after 12 months	-	82.12
	Total Other Long term Liabilities	-	82.12
6. LONG TERM PROVISIONS			
	Provision for Employee benefits-Gratuity	59.94	51.99

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Note No.	Particulars	Figures for the current reporting period As at 31.03.2014 ₹ in lakhs	Figures for the previous period As at 31.03.2013
7. Short term Borrowings			
	i) Loans repayable on demand from -Secured		
	a) From Banks		
	State Bank of India	259.83	-
	Bank of Baroda	-	2.89
	Indian Overseas Bank	0.47	0.07
	Corporation Bank	0.81	0.54
	Secured by a first charge on current assets, mortgage of factory land and buildings and second charge on movable fixed assets on pari passu basis.		
	b) Liability for imports for finance availed from foreign banks under Buyers' Credit Scheme secured by the Letters of Credit opened by the Banks	-	20.81
	Total Short term Borrowings	261.11	24.31
	There is no default in payment of principal or interest for the above		
8. Trade Payables			
	Liabilities for Supplies and Services	121.92	285.97
	Total Payables	121.92	285.97
9. Other Current Liabilities			
	Current Maturities of Long Term Debt (Secured)	167.00	167.00
	Interest Accrued but not due on borrowings	74.38	21.31
	Advance Received against sales	375.91	565.60
	Unpaid Dividends	5.07	6.95
	Liabilities for other Finance-Statutory Liabilities, Tax collections payable, Deduction from Salaries and Wages, etc.	10.46	11.55
	Total Other Current Liabilities	632.82	772.41
10. Short term Provisions			
	Provision for Employee benefits(Leave salary, Bonus and Gratuity due within an year)	66.06	74.42
	Provision for Incometax	0.37	59.00
	Total Short Term Provisions	66.43	133.42

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

11. Fixed Assets

ASSETS	GROSS BLOCK			DEPRECIATION		NET BLOCK	
	Cost upto 31.03.2013	Additions	Sales/ Transfers	Cost upto 31.03.2014	Upto 31.03.2013 For the year	Upto 31.3.2014	As at 31.03.2013
(Rs. in lakhs)							
TANGIBLE ASSETS							
Land	220.85	—	—	220.85	—	—	220.85
Buildings	1,166.32	—	—	1,166.32	38.18	600.94	565.38
Plant & Machinery	6,731.10	185.11	16.12	6,900.09	381.70	5,262.55	1,637.54
Vehicles	43.27	2.35	2.65	42.97	1.49	2.06	1,836.05
Furniture and fittings	95.60	0.04	—	95.64	4.50	—	6.61
Office Equipments	163.40	2.64	—	166.04	13.36	54.29	45.81
Sub Total A	8,420.54	190.14	18.77	8,591.91	439.23	6,073.75	2,518.16
INTANGIBLE ASSETS							
Computer Software	58.73	1.46	—	60.19	13.63	—	7.39
Sub Total B	58.73	1.46	—	60.19	13.63	52.80	19.56
Total (A + B)	8,479.27	191.60	18.77	8,652.10	452.86	6,126.55	2,525.55
Previous Year	8951.80	99.78	572.31	8479.27	498.57	5689.95	2789.32
Additional Disclosure :							
Profit / (Loss) on disposal of Fixed Assets during the year ended 31st March, 2014 is ₹ 16.70 Lakhs (₹ 0.11 Lakhs for the year ended 31st March, 2013).							

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Note No.	Particulars	Figures for the current reporting period As at 31.03.2014	Figures for the previous period As at 31.03.2013
		₹ in lakhs	

12. NON-CURRENT INVESTMENTS

(I) In Government or Trust Securities

7 Years National Savings Certificate at cost	0.10	0.10
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(II) In Shares and Bonds

Non-Trade Quoted

1500 Equity Shares of ₹ 10/- each in M/s Lakshmi Machine Works Limited, fully paid up, at cost	0.14	0.14
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10000 Equity Shares of ₹ 10/- each in M/s Precision Fasteners Limited, fully paid up, at cost	5.00	5.00
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200 Equity Shares of ₹ 10/- each in M/s IFCI Limited fully paid up, at cost	0.04	0.04
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334 Equity shares of ₹ 10/- each in State Bank of India, fully paid up, at cost	1.59	1.59
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(III) Investment in Wholly Owned Subsidiary

1,20,00,000 Equity Shares of ₹ 10/- each in M/s Veejay Lakshmi Textiles Limited, fully paid up at cost	1,200.00	1,200.00
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1,60,00,000 6% Non Cumulative Redeemable Preference Shares of ₹ 10/- each in M/s. Veejay Lakshmi Textiles Ltd., fully paid up at cost	1,600.00	1,200.00
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Total	2,806.87	2,406.87
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Less investment Fluctuation Reserve	5.02	5.02
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Total	2,801.85	2,401.85
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Aggregate Value of Quoted Investment - Cost	6.77	
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- Market Value	52.20	
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Aggregate Value of Unquoted Investments - Cost	2,800.10	
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Note No.	Particulars	Figures for the current reporting period As at 31.03.2014	Figures for the previous period As at 31.03.2013
		₹ in lakhs	
13. LONG TERM LOANS AND ADVANCES (Unsecured considered good)			
a) Capital Advances		-	30.67
b) Security Deposits		26.34	35.32
c) Loans and Advances to Subsidiary		-	400.00
d) Loans and Advances to firms or Private Companies in which the Directors are partner or a Director or a member		-	-
e) Loans and Advances to other related parties		-	-
Long Term Loans and Advances - Total		26.34	465.99
All the above are unsecured but considered good and no allowance made for bad or doubtful debt.			
14. INVENTORIES			
Raw Materials (At weighted average cost)		341.35	671.05
Scrap (At estimated cost or net realisable value whichever is lower)		1.87	0.86
Components (At weighted average cost)		1,261.99	270.34
Work-in-Progress (At estimated cost)		1,181.08	1,801.49
Stores and spares (At weighted average cost)		96.41	83.12
Finished goods (At estimated cost or net realisable value whichever is lower)		24.94	-
Retired Assets held for disposal (Written down value or net realisable value whichever is lower)		2.15	4.42
Total Inventories		2,909.79	2,831.28
15. TRADE RECEIVABLES			
a) Outstanding for a period above six months			
i. Secured considered good		-	-
ii. Unsecured considered good		-	31.83
iii. Doubtful		-	-
(Allowance for Bad and doubtful debts in iii above)			
b) Others			
i. Secured considered good		-	-
ii. Unsecured considered good		74.88	23.95
iii. Doubtful		-	-
(Allowance for Bad and doubtful debts in iii above)			
Total Trade receivables		74.88	55.78
Debts due by Directors or other officers or debts due by firms or private companies of which any Director is a partner, member or Director included in above			
		Nil	Nil

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Note No.	Particulars	Figures for the current reporting period As at 31.03.2014	Figures for the previous period As at 31.03.2013
		₹ in lakhs	
16. CASH AND CASH EQUIVALENTS			
Balance with Banks			
- in Current Accounts		8.46	19.75
- in Deposit Accounts-maturity above 12 months		-	-
- in Deposit Account with maturity less than 12 months		-	50.00
- Deposits for Margin money or for other commitments/security		12.67	1.50
Cheques, drafts on hand		-	-
Ear marked balances with Banks-Unpaid Dividends		5.07	6.95
Cash on hand		4.59	20.42
Total Cash and Cash equivalents		30.79	98.62
17. SHORT TERM LOANS AND ADVANCES			
Unsecured-considered good			
i) Advance to Suppliers-Related parties			
Advance to Subsidiary		-	-
Advances to Directors or other officers of the Company or due by firms or private companies in which any director is a partner or Director		-	-
ii) Advance to Suppliers-Others		99.34	136.71
iii) Advance to Staff and Workers		10.77	5.68
Unsecured-Doubtful			
Advance to suppliers-others		4.19	4.18
Allowance for Doubtful Loans		-	-
Total Short Term Loans and Advances		114.30	146.58
18. OTHER CURRENT ASSETS			
Advance payment of Taxes, TDS & MAT credit entitlements		124.40	157.48
Cenvat/Vat credit, Duty draw back and other receivables		169.81	155.81
Prepaid Expenses		9.82	7.38
Total Other Current Assets		304.03	320.71

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Note No.	Particulars	Figures for the current reporting period As at 31.03.2014 ₹ in lakhs	Figures for the previous period As at 31.03.2013 ₹ in lakhs
19. REVENUE FROM OPERATIONS			
a) Sale of Products		8,004.11	7,088.98
b) Sale of Services		92.55	76.60
c) Other operating revenues		77.03	51.55
Sub Total		8,173.69	7,217.13
Less : Excise Duty		1,075.14	646.28
Total Revenue		7,098.55	6,570.85
20. OTHER INCOME			
Interest Income		1.57	7.68
Dividend Income		0.44	0.87
Net gain/Loss on sale of assets		16.70	0.11
Total Other Income		18.71	8.66
21. COST OF MATERIALS CONSUMED			
Raw Materials-Ferrous		965.87	349.49
Raw Materials-Non-Ferrous		297.63	138.52
Raw Materials-Castings		186.43	83.60
Raw Materials-Non metal		161.72	93.73
Components		1,403.38	2,145.90
Material Consumed		3,015.03	2,811.24
22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN PROCESS AND STOCK IN TRADE			
Opening stock		1,802.35	2,590.31
Closing stock		1,207.89	1,802.35
Change in inventory		594.46	787.96
23. EMPLOYEE BENEFITS			
Salary, Wages, Gratuity, etc.		1,017.27	979.16
Contribution to Provident Fund		42.04	39.83
Staff and Labour Welfare expenses		215.90	117.55
Total Employee Cost		1,275.21	1,136.54
24. FINANCE COSTS			
Interest expense		58.53	72.00
Net gain/loss on Foreign currency transactions		-	0.09
Total Finance Cost		58.53	72.09

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Note No.	Particulars	Figures for the current reporting period As at 31.03.2014 ₹ in lakhs	Figures for the previous period As at 31.03.2013 ₹ in lakhs
25. OTHER EXPENSES			
Stores consumed		336.63	297.32
Fabrication Charges		303.27	167.73
Power and Fuel		427.48	271.82
Freight		40.58	12.24
Printing and Stationery		26.65	17.21
Postage and Telephone		11.90	17.10
Travelling and Vehicle Maintenance		52.56	49.09
Insurance		7.07	4.28
Rent		14.62	14.68
Bank Charges		14.39	10.76
Licences and Taxes		31.14	28.57
Sales commission		176.23	116.94
Sales promotion expenses		14.19	93.13
Subscription and periodicals		3.62	3.18
Directors' sitting fees		1.27	0.55
Audit fees		1.20	1.20
Legal and Professional charges		23.79	16.43
Repairs and Maintenance-Buildings		22.71	9.44
Repairs and Maintenance-Machinery		142.49	54.27
Repairs and Maintenance-Others		1.12	28.99
Bad Debts written off		18.01	-
Donations		1.22	0.30
Total Other Expenses		1,672.14	1,215.23

See accompanying notes to the financial statements

As per our report attached For N.R. DORAISWAMI & CO. Chartered Accountants (Firm Registration No. 000771S) Coimbatore 26th May, 2014	V.J. JAYARAMAN Chairman Cum Managing Director D. RANGANATHAN Whole-Time Director	J. ANAND Managing Director S. VINOD KUMAR Company Secretary
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

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Donations		1.22	0.30
Total Other Expenses		1,672.14	1,215.23

See accompanying notes to the financial statements

	As per our report attached For N.R. DORAISWAMI & CO. Chartered Accountants (Firm Registration No. 000771S)	V.J. JAYARAMAN Chairman Cum Managing Director	J. ANAND Managing Director
Coimbatore 26th May, 2014	(Sd/-) SUGUNA RAVICHANDRAN Partner, (Membership No. 207893)	D. RANGANATHAN Whole-Time Director	S. VINOD KUMAR Company Secretary



NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31.03.2014

I. SIGNIFICANT ACCOUNTING POLICIES

- A. System of Accounting:** The Financial Statements are prepared under historical cost convention and on accrual basis in accordance with the applicable accounting standards.
- B. Use of Estimates:** The preparation of the financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known/materialized.
- C. Recognition of Income and Expenditure:** Revenue from sale transaction is recognized as and when the property in the goods is sold/transferred to the buyer for a definite consideration. Revenue from service transactions and other source is recognized on the completion of the contract. Dividends from investments, export incentive under Duty Drawback scheme are recognized when the right to receive payments/credit is established and there is no uncertainty regarding the amount of consideration or its collectability.
- D. Fixed Assets/Borrowing Costs:** Fixed Assets are capitalized at cost inclusive of erection expenses and other incidental expenses in connection with the acquisition of the assets and net of Cenvat Credit and VAT, if any. The borrowing cost on the additions to fixed assets is capitalized in accordance with AS 16.
- E. Depreciation:** Depreciation has been provided on straight-line method in respect of all the assets in accordance with Schedule XIV of the Companies Act, 1956. Extra shift depreciation has been provided for full year, even if the plant has run only for part of the year on extra shifts. Depreciation on additions during the year has been provided on pro-rata for the period for which the assets have been put to use. Wind Turbines have been classified as continuous process plant and depreciated accordingly as has been done in the past.
- F. Taxation:** Provision for taxation is made as per estimated total income after considering various reliefs under the provisions of the Income-Tax Act, 1961. The book profit tax paid in accordance with Section 115JB, which is in excess of the normal tax due and which can be adjusted against tax liability for future periods, is treated as advance tax. In accordance with AS 22, the deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been enacted as of the balance sheet date.
- G. Employee Benefits:** The provision has been made as required under AS 15. Bonus has been provided as per practice followed in earlier years. For Gratuity, Leave encashment and accumulated compensated absences provision has been made based on the estimates provided by an actuary.
- H. Foreign Exchange Transactions:** The transactions in respect of import of materials and export sales have been accounted for at the rates of exchange prevailing on the date of the transactions. However, in respect of transactions remaining unpaid/unrealized, exchange rates prevailing at the end of the year have been adopted. Difference arising out of fluctuation in the exchange for the above transaction has been taken to a separate account, which is debited/credited to the Profit and Loss Account. Wherever Forward Contracts have been entered, the premium or discount has been recognized over the period of the contract and the exchange differences on these contracts have been adjusted during the period in which the differences have taken place. All forward contracts have been entered only for import or export transactions of the Company and no contract has been entered for speculative purposes.



NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31.03.2014 (Contd.)

- I. Impairment of Assets:** The carrying amount of the fixed assets is reviewed for provision for impairment as required under AS 28. In the opinion of the Company, the recoverable amount of the fixed assets of the Company will not be lower than the book value of the fixed assets. Hence no provision has been made for impairment.
- J. Investments:** Investments are shown at cost. Investment fluctuation reserve has been created for the diminution in value of quoted investments.
- K. Provisions, contingent liabilities and contingent assets:** Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes to financial statements. Contingent assets are neither recognized nor disclosed in the financial statements. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
- L. Earning Per Share:** Basic Earning per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.
- M. Cash flow Statement:** Cash flows are prepared under the "indirect method". Closing balances of cash includes cash and cash equivalents in hand and balances in bank in current accounts.
- N. Segment Reporting:** Business segments are identified based on the nature of products and services. For reporting, the business has been split into two segments – one representing Engineering activities manufacturing textile machinery and the other representing the generation of power by wind energy. Power generated from windmills is wheeled through Electricity Board and adjusted against the consumption of power by the Company and the Subsidiary Company. The entire value of power generated is treated as sale to Electricity Board and included in the sales turnover. The adjustment to Subsidiary Company and self consumption is not considered for Inter Segment Revenue/Adjustments, as has been done in the past.

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31.03.2014
(Contd.)

Particulars	As at 31.03.2014	As at 31.03.2013
	₹ in lakhs	

2. EXPENDITURE IN FOREIGN CURRENCY

A. Value of Imports made on CIF basis

Raw materials	99.39	29.76
Components and spares parts	1,522.91	1,304.24
Capital goods	155.52	46.26
Total	1,777.82	1,380.26

B. Other expenses in Foreign currency

Expenditure on Foreign Currency on account of Fabrication Charges and Sales Promotion expenses, royalty, knowhow, professional and consultation fees, interest and other matters	50.67	11.00
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C. Consumption

Total value of all imported raw materials, components and spare parts consumed	1,664.41	1,334.00
% to total	55%	47%
Total value of all indigenous raw materials, components and spare parts consumed	1,350.62	1,477.24
% to total	45%	53%
Total consumption	3,015.03	2,811.24

D. Earnings in Foreign Currency

Export of goods – F.O.B. Value	545.33	660.92
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NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31.03.2014
(Contd.)

Particulars	As at 31.03.2014	As at 31.03.2013
	₹ in lakhs	

3. CONTINGENT LIABILITIES AND COMMITMENTS

1. Contingent Liabilities		
a. Claims against the Company not acknowledged as Debts		
i. Income tax Liability on expenses disallowed/additions proposed disputed in appeals	–	1.30
ii. Amounts claimed by Customs, Excise and Market committee authorities disputed in appeals	44.48	28.16
b. Guarantees		
Guarantees issued by Banks on behalf of the Company	437.70	589.70
Credit facilities of Subsidiary guaranteed by the Company-outstanding-both fund based and non fund based	1,926.39	1,528.89
Letter of Credit opened by Banks on behalf of the Company	3.47	87.53
2. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	–	158.99
4. Research and Development expenses incurred	47.69	94.55
5. Gain (Loss) on account of foreign exchange difference included in the profit and loss account		
on account of foreign currency borrowings included under finance cost	–	(0.18)
on trade payable/receivables included under other Operating Revenues	6.32	9.86

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31.03.2014
(Contd.)

6. Segment Report for the year ended 31.03.2014

₹ in lakhs

Revenue	31st March, 2014			31st March, 2013		
	Engg. Dvn.	Wind Mill Dvn.	Total	Engg. Dvn.	Wind Mill Dvn.	Total
External Sales	6963	136	7099	6398	173	6571
Inter Segment Transfers	-	-	-	-	-	-
Total Revenue	6963	136	7099	6398	173	6571
Result						
Segment Result	74	55	129	25	97	122
Un allocated including exceptional items	-	-	-23	-	-	-477
Operating Profit	-	-	106	-	-	-355
Interest Expense	-	-	-59	-	-	-72
Interest Income	-	-	2	-	-	8
Tax Expenses	-	-	30	-	-	130
Unallocable Income	-	-	-	-	-	1
Profit from Ordinary Activities	-	-	79	-	-	-288
Extra Ordinary Items	-	-	-	-	-	-
Net Profit	-	-	79	-	-	-288
Other Information						
Segment Assets	5330	252	5582	5510	321	5831
Un allocated Corporate Assets	-	-	3206	-	-	3279
Total Assets	-	-	8788	-	-	9110
Segment Liabilities	630	-	630	975	-	975
Un allocated Corporate Liabilities	-	-	8158	-	-	8135
Total Liabilities	-	-	8788	-	-	9110
Capital Expenditure	192	-	192	100	-	100
Depreciation	383	65	453	429	65	499
Non Cash Expenditure other than depreciation	-	-	-	-	-	-

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31.03.2014
(Contd.)

7. RELATED PARTY DISCLOSURES FOR THE YEAR ENDED 31.03.14

(₹ In Lakhs)

Particulars		Associated Companies/ Firms	Subsidiary Company	Key Managerial personnel	Relative of Key Managerial Personnel
Purchase of goods and services-raw materials, components and engineering job works	2013-14	46.76	5.39	-	-
	2012-13	20.46	3.43	-	-
Sale of machinery, spares, and job works	2013-14	38.32	4.14	-	-
	2012-13	253.34	4.29	-	-
Sales commission paid	2013-14	129.06	-	-	-
	2012-13	124.23	-	-	-
Rent paid	2013-14	13.29	-	1.23	-
	2012-13	13.29	-	1.23	-
Managerial remuneration	2013-14	-	-	44.45	9.82
	2012-13	-	-	45.53	9.60
Un secured loans	2013-14	-	-	132.99	-
	2012-13	-	-	132.99	-
Interest paid on loans	2013-14	-	-	11.97	-
	2012-13	-	-	14.96	-
Finance including loans and equity/Preference share capital contribution in cash or in kind	2013-14	-	2,800.00	-	-
	2012-13	-	2,400.00	-	-
Guarantees and collaterals	2013-14	-	1,926.39	-	-
	2012-13	-	2,259.00	-	-
Outstanding due from the Company	2013-14	0.05	-	-	-
	2012-13	10.82	-	-	-
Outstanding due to the Company	2013-14	-	-	-	-
	2012-13	-	400.00	-	-

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31.03.2014
(Contd.)

8. The details of employee benefits for the period on account of gratuity which is funded defined employee benefit plan and leave encashment which is an unfunded defined benefit plan are as under:

Particulars	Gratuity (Funded) 31.03.2014	Gratuity (Funded) 31.03.2013
A. Expense recognised during year ended 31.03.2014		
1. Current Service cost	506502	598,133
2. Interest Cost	649811	622,272
3. Expected return on plan assets	-202707	-413,836
4. Actuarial Losses / (Gains) during the year	-609342	4870,363
5. Direct payment/Past service cost vested benefits	0	0
6. Total Expense	344264	5676,932
B. Actual return on Plan assets		
1. Expected return on plan assets	202707	413,836
2. Actuarial (Loss) / Gain on Plan assets	66098	133,147
3. Actual return on plan assets	268805	546,983
C. Net Asset/(Liability) recognised in the Balance Sheet		
1. Present value of the obligation as on 31.03.2014	7195602	9266,527
2. Fair value of plan assets as on 31.3.2014	1201423	3571,987
3. Funded status (surplus/deficit)	-5994179	-5694,540
4. Unrecognised past service cost	0	0
5. Net Asset/(Liability) recognised in the Balance sheet	-5994179	-5694,540
D. Change in Present value of the Obligation during the year ended March 31,2014		
1. Present value of the obligation as at April 1, 2013	9,266,527	1,12,62,499
2. Current service cost	5,06,502	5,98,133
3. Interest cost	6,49,811	6,22,272
4. Benefits paid	-26,83,994	-82,19,887
5. Actuarial (gain) / loss on obligation	-5,43,244	50,03,510
6. Present value of obligation as at March 31, 2014	71,95,602	92,66,527
E. Change in Assets during the year ended March 31, 2014		
1. Fair value of plan assets as at April 1, 2013	35,71,987	65,43,464
2. Expected return on plan assets	2,02,707	4,13,836
3. Contributions made	44,625	47,01,427
4. Benefits paid	-26,39,369	-35,18,460
5. Direct Benefit Payments	-44,625	-47,01,427
6. Actuarial gain / (loss) on plan assets	66,098	1,33,147
7. Fair value of plan assets as at March 31, 2014	12,01,423	35,71,987
F. Major categories of plan assets as a percentage of total plan		
Qualifying insurance policies	9,83,995	33,54,559
Own plan assets	2,17,428	2,17,428
Total	12,01,423	35,71,987
G. Actuarial Assumptions		
1. Discount rate	9.10%	8.20%
2. Salary escalation	5.00%	5.00%
3. Expected rate of return on plan assets	9.00%	9.00%
4. Attrition rate	2.00%	2.00%

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31.03.2014
(Contd.)

9. As defined under Micro, small and Medium Enterprises Development Act 2006, the disclosure in respect of the amount payable to such enterprises as at 31.03.2014 is given below based on information received and available with the Company.

a) The Principal amount due there on remaining unpaid to any supplier as at the end of each accounting year	8.38	12.17
b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
c) The amount of interest due and payable for the period of delay in making payment(Which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	Nil	Nil
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the dues are actually paid for the purpose of disallowance under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil

10. Earnings per share

Profit before taxes	49.03	-417.49
Tax	-29.90	-129.52
Profit After Tax	78.93	-287.97
No of equity shares	50,71,900	50,71,900
Earnings per share-Rs.	1.56	-5.68

11. Financial Details of Wholly Owned Subsidiary

Share Capital	4,710.00	2,400.00
Reserves	-743.66	-1,119.23
Total Assets	6,549.92	6,349.54
Total Liabilities	6,549.92	6,349.54
Investments	1.31	1.31
Turnover	7,627.08	5,043.86
Profit before Taxation	378.20	-472.31
Provision for Taxation	2.63	-427.04
Profit after Taxation	375.57	-45.27
Proposed Dividend	Nil	Nil

12. Figures have been rounded off to ₹ in Lakhs and previous year figures have been regrouped / rearranged wherever necessary.

As per our report attached For N.R. DORAISWAMI & CO. Chartered Accountants (Firm Registration No. 000771S) Coimbatore 26th May, 2014	V.J. JAYARAMAN Chairman Cum Managing Director D. RANGANATHAN Whole-Time Director	J. ANAND Managing Director S. VINOD KUMAR Company Secretary
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CASH FLOW STATEMENT FOR THE YEAR ENDED 31.3.2014

	Year ended March, 2014	Year ended March, 2013
A. Cash Flow from Operating Activities		
Net Profit Before Tax and extra ordinary item	49.03	-417.49
Adjustments for :		
Depreciation	452.86	498.57
Interest paid	58.53	72.09
Profit on sale of Investments/Assets	-16.70	-0.11
Interest/Dividend Income	-2.01	-8.55
Operating Profit before working capital changes	541.71	144.51
(Increase)/Decrease in Trade and Other Receivables	35.93	-44.97
Increase/(Decrease) in Payables	-118.44	-52.56
Decrease/(Increase) in Inventories	-78.51	485.16
Cash generated from operations	380.69	532.14
Direct Taxes paid	-22.18	2.07
Cash flow before extra ordinary items	358.51	534.21
Net Cash from Operating Activities	358.51	534.21
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	-191.60	-99.77
Sale of Fixed Assets	19.21	6.02
Investment in subsidiary	-	13.20
Redemption of Investments	-	0.00
Interest received	2.07	8.44
Dividend Received	0.44	0.87
Net cash used for Investing Activities	-169.88	-71.24
C. Cash flow from Financing Activities		
Increase/(Repayment) of Long Term borrowings	-167.00	-318.94
Dividends paid	-1.88	-1.94
Interest paid	-87.58	-94.24
Net cash from financing activities	-256.46	-415.12
Net Increase in cash and cash equivalents	-67.83	47.85
Cash and Cash equivalents as at 31.03.2013	98.62	50.77
Cash and Cash equivalents as at 31.03.2014	30.79	98.62

As per our report attached For N.R. DORAISWAMI & CO. Chartered Accountants (Firm Registration No. 000771S)	V.J. JAYARAMAN Chairman Cum Managing Director	J. ANAND Managing Director
(Sd/-) SUGUNA RAVICHANDRAN Partner, (Membership No. 207893)	D. RANGANATHAN Whole-Time Director	S. VINOD KUMAR Company Secretary

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

A. Companies/firms with which the company had transactions during the year.

Sl.No. Name of the Company/firm

1. M/s. Veejay Lakshmi Textiles Limited
2. M/s. Veejay Sales and Services Limited
3. M/s. Veejay Terry products Limited
4. M/s. Veejay marketing
5. M/s. Veejay Syntex Private Limited
6. M/s. Veejay Tool & Die Private Limited
7. M/s. Veejay Yarns & Fabrics Private Limited

Necessary approvals have been taken/applied from the Central Government for the transactions with the above parties and no contract is detrimental to the interest of the company.

B. Companies/firms with which the Company had no transactions during the year.

1. M/s. Krishna Mills Private Limited
2. M/s. Lakshmi Precision Tools Limited
3. M/s. Deluxe Marketing
4. M/s. Deluxe Components
5. M/s. Renba Castings Limited
6. M/s. Samrajyaa & Co
7. M/s. The Suguna Mills Private Limited.
8. M/s. Magna Electro Castings Limited
9. M/s. Prathishta Weaving & Knitting Co. Ltd.
10. M/s. Augustan Knit Wear Pvt. Ltd.
11. M/s. Augustan Textile Colors Pvt Limited
12. M/s. Augustan Coimbatore Knitting Company Limited

C. Name of the Wholly Owned Subsidiary Company

1. Veejay Lakshmi Textiles Limited

D. Name of the Key Managerial Personnel

1. Sri. V.J. Jayaraman, Chairman cum Managing Director
2. Sri. J. Anand, Managing Director
3. Sri. D. Ranganathan, Whole Time Director

E. Relatives of the Key Managerial Personnel

1. Smt. J. Vidya W/o Sri. V.J. Jayaraman
2. Smt. Arthi Anand W/o Sri. J. Anand

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956,
RELATING TO SUBSIDIARY COMPANY.

1. Name of the Subsidiary	Veejay Lakshmi Textiles Limited
2. Financial year of the Subsidiary Company	1st April, 2013 to 31st March, 2014
3. Extent of interest in Subsidiary Company	100% of paid up Equity Capital of 1,20,00,000 equity shares of ₹ 10/- each and 1,60,00,000 Preference Shares of ₹ 10/- each
4. Net aggregate amount of the profits/(losses) of the Subsidiary Company for the period, so far as it concerns members of Veejay Lakshmi Engineering Works Limited	
a) Not dealt with in Accounts of the Company	
(i) For the financial year of the Subsidiary	₹ 3,75,56,947/-
(ii) For the previous financial years since it became the Subsidiary of the Company	(₹ 12,20,05,049/-)
b) Dealt with in the Accounts of the Company	
(i) For the financial year of the Subsidiary	Nil
(ii) For the previous financial years since it became the Subsidiary of the Company	Nil
5. Additional information U/s. 212(5)	
(a) Change in the interest of the Company between the end of the Subsidiary Company's and the Company's financial year ended 31st March, 2014	Nil
(b) Material changes between the end of the financial year of the Subsidiary and the Company's financial year ended 31st March, 2014	
(1) Fixed Assets	Nil
(2) Investment	Nil
(3) Money Lent	Nil
(4) Money borrowed for any purpose other than that of meeting current liabilities	Nil
Fresh borrowings from Bank	Nil
Amount repaid to Bank	Nil

As per our report attached For N.R. DORAISWAMI & CO. Chartered Accountants (Firm Registration No. 000771S)	V.J. JAYARAMAN Chairman Cum Managing Director	J. ANAND Managing Director
(Sd/-) SUGUNA RAVICHANDRAN Partner, (Membership No. 207893)	D. RANGANATHAN Whole-Time Director	S. VINOD KUMAR Company Secretary

INDEPENDANT AUDITOR'S REPORT TO THE MEMBERS OF
M/s. VEEJAY LAKSHMI ENGINEERING WORKS LIMITED ON
CONSOLIDATED FINANCIAL STATEMENT

We have audited the accompanying consolidated financial statements of M/s. Veejay Lakshmi Engineering Works Limited and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We did not audit the financial statements of M/s. Veejay Lakshmi Textiles Limited, a subsidiary whose financial statements reflect total assets of ₹ 65,49,92,214/- as at 31st March, 2014 and total revenues of ₹ 77,23,50,415/- for the year then ended. These financial statements have been audited by other auditors whose report have been furnished to us and our opinion in so far as it relates to the amounts included in respect of the subsidiary is based solely on the report of the other auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- in the case of the consolidated statement of Profit and Loss, of the Profit for the year ended on that date; and
- in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For N.R. DORAISWAMI & CO.
Chartered Accountants
(Firm Regn. No. : 000771S)

Coimbatore
26.05.2014

(Sd/-) SUGUNA RAVICHANDRAN
Partner
(Membership No. 207893)

**BALANCE SHEET AS AT 31ST MARCH 2014 (CONSOLIDATED)**

Particulars	Note No.	Figures at the end of the current reporting period as at 31.03.2014	Figures at the end of the previous reporting period as at 31.03.2013
		₹ In lakhs	
I. EQUITY AND LIABILITIES			
(1) Share Holder's Funds			
(a) Share Capital	1	507.19	507.19
(b) Minority Interest		1,910.00	-
(c) Reserves and Surplus	2	5,919.56	5,465.06
Sub total (1)		8,336.75	5,972.25
(2) Non Current Liabilities			
(a) Long Term Borrowings	3	788.75	3,428.16
(c) Other Long term Liabilities	4	-	82.12
(d) Long-term Provisions-Provision for Gratuity	5	86.51	76.97
Sub total (2)		875.26	3,587.25
(3) Current Liabilities			
(a) Short term Borrowings	6	1,801.17	1,166.42
(b) Trade Payables	7	360.25	536.02
(c) Other Current Liabilities	8	897.63	994.30
(d) Short-term provisions	9	91.48	201.98
Sub total (3)		3,150.53	2,898.72
TOTAL LIABILITIES		12,362.54	12,458.22
II. ASSETS			
(1) Non-current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		6,284.34	6,805.13
(ii) Intangible Assets		7.39	19.56
(iii) Capital Work in process		-	-
(iv) Intangible assets under development		-	-
Sub total (a)		6,291.73	6,824.69
(b) Non current Investments	11	3.16	3.16
(c) Deferred Tax Asset (Net)	12	174.34	150.43
(d) Long Term Loans and Advances	13	98.09	172.80
Sub total (1)		6,567.32	7,151.08
(2) Current Assets			
(a) Inventories	14	4,719.21	3,813.82
(b) Trade Receivables	15	246.34	509.43
(c) Cash and Cash equivalents	16	49.83	155.27
(d) Short term Loans and Advances	17	136.82	202.10
(e) Other current assets	18	643.02	626.52
Sub total (2)		5,795.22	5,307.14
TOTAL ASSETS		12,362.54	12,458.22

See accompanying notes to the financial statements

As per our report attached	V.J. JAYARAMAN	J. ANAND
For N.R. DORAISWAMI & CO.	Chairman Cum Managing Director	Managing Director
Chartered Accountants		
(Firm Registration No. 000771S)	D. RANGANATHAN	S. VINOD KUMAR
Coimbatore	(Sd/-) SUGUNA RAVICHANDRAN	Whole-Time Director
26th May, 2014	Partner, (Membership No. 207893)	Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014 (CONSOLIDATED)

Particulars	Note No.	Figures at the end of the current reporting period as at 31.03.2014 ₹ in lakhs	Figures at the end of the previous reporting period as at 31.03.2013
I. Revenue from operations	19	14,716.11	11,621.17
II. Other Income	20	117.83	20.83
III. Total Revenue (I+II)		14,833.94	11,642.00
IV. Expenses			
Cost of Materials consumed	21	7,891.10	6,151.91
Purchase of Traded Goods		655.92	-
Changes in Inventories of Finished goods, Work-in process and Stock in trade	22	528.92	694.49
Employees Benefit Expense	23	1,782.49	1,572.75
Finance Costs	24	246.70	443.26
Depreciation and amortization expenses		760.58	985.49
Other expenses	25	2,897.57	2,208.52
Total Expenses		14,763.28	12,056.42
V. Profit before exceptional and extraordinary items and tax (III-IV)		70.66	-414.42
VI. Exceptional items		-356.57	475.37
VII. Profit before extraordinary items and tax (V-VI)		427.23	-889.79
VIII. Extraordinary items		-	-
IX. Profit before Tax		427.23	-889.79
X. Tax Expense			
Current Tax		0.37	-
Prior year taxes		-3.73	24.68
Deferred Tax		-23.91	-581.24
XI. Profit and Loss for the period from continuing operations (V II-X)		454.50	-333.23
XII. Earning per share			
Basic & Diluted		8.96	-6.57
There is no profit or loss or tax from discontinuing operations			

See accompanying notes to the financial statements

As per our report attached For N.R. DORAISWAMI & CO. Chartered Accountants (Firm Registration No. 000771S) (Sd/-) SUGUNA RAVICHANDRAN Partner, (Membership No. 207893)	V.J. JAYARAMAN Chairman Cum Managing Director	J. ANAND Managing Director
	D. RANGANATHAN Whole-Time Director	S. VINOD KUMAR Company Secretary



NOTES TO THE FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS REQUIRED UNDER ACCOUNTING STANDARDS (CONSOLIDATED)

Note No.	DETAILS FOR BALANCE SHEET	Figures for the current reporting period 31.03.2014 ₹ in lakhs	Figures for the previous period 31.03.2013
1.	SHARE CAPITAL		
	Equity Share Capital		
	Face/par value per share - ₹	10.00	10.00
	Authorised Capital-Number of shares	60,00,000	60,00,000
	Authorised Capital-Amount ₹ in lakhs	600.00	600.00
	Issued, Subscribed and fully paid up Capital - No. of shares	50,71,900	50,71,900
	Total paid up Capital Value ₹ in lakhs	507.19	507.19
	Subscribed but not fully paid	Nil	Nil
	No. of shares paid up outstanding at the beginning of reporting period	50,71,900	50,71,900
	Changes during the reporting period	Nil	Nil
	No. of shares paid up outstanding at the end of reporting period	50,71,900	50,71,900
	No. of shares held by persons holding more than 5% shares by each person		
	Sri V.J. Jayaraman	12,25,385	12,25,385
	Smt J. Vidya	7,25,700	7,25,700
	Sri J. Anand	11,09,807	11,09,807
	Shares reserved for issue of options etc.	Nil	Nil
	Shares issued for consideration other than cash or as Bonus shares or Shares bought back in the last 5 years	Nil	Nil
	Securities that can be convertible into shares	Nil	Nil
	Calls unpaid	Nil	Nil
	Forfeited shares	Nil	Nil
	Minority Interest - Preference Shares in Subsidiary held by others	1,910.00	Nil
2.	RESERVES AND SURPLUS		
	(a) Securities Premium Reserve		
	Share Premium Account	2,116.43	2,116.43
	(b) Other Reserves		
	General Reserve		
	Balance at the beginning of the reporting period	3,574.63	3,574.63
	Additions During the year	-	-
	Balance at the end of the reporting period	3,574.63	3,574.63
	Capital Reserve		
	Balance at the beginning of the reporting period	100.82	100.82
	Additions During the year	-	-
	Balance at the end of the reporting period	100.82	100.82
	(c) Surplus-Balance in Profit and Loss Account		
	Balance at the beginning of the reporting period	-326.82	6.42
	Profit after taxes during the year	454.50	-333.24
	Transfer to General Reserve	-	-
	Provision for Dividends	-	-
	Dividend Distribution Tax	-	-
	Balance at the end of the reporting period	127.68	-326.82
	Total Reserves and Surplus	5,919.56	5,465.66



NOTES TO THE FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS REQUIRED UNDER ACCOUNTING STANDARDS (CONSOLIDATED)

Note No.	DETAILS FOR BALANCE SHEET	Figures for the current reporting period 31.03.2014 ₹ in lakhs	Figures for the previous period 31.03.2013
3.	LONG TERM BORROWINGS		
	A. Term Loans-Secured		
1.	Technology Dev elopment Board Secured by hypothecation of moveable Fixed Assets of the Company and guarantees two Directors of the Company and also the guarantee of the subsidiary. Repayment 2014-15 ₹ 167 lakhs, 2015-16 ₹ 167 lakhs. Excludes installments due before 31.03.2015 included under Current Liabilities.	167.00	334.00
2.	State Bank of India Repayment 2015-16 ₹ 240 Lakhs, 2016-17 ₹ 248.75 Lakhs (Secured by a charge on the specific items of fixed assets acquired out of the Term Loans and a charge on other Fixed Assets on pari pasu basis the holding Company and two Directors have guaranteed the above loans.)	488.76	693.90
	Total Secured	655.76	1,027.90
	B. Unsecured-Loans and Advances from Related parties		
1.	Loans from Directors No repayment date is fixed. Repayable at the option of the Company/Directors.	132.99	1,942.07
2.	Loan from a Company in which the Directors are interested	-	458.19
	Total Unsecured Loans	132.99	2,400.26
	Total Long Term Borrowings	788.75	3,428.16
	Secured/Unsecured borrowings - There is no default/delay in repayment of principal or interest and no amount is over due as at the end of the reporting period.		
	There is no redeemed bonds/debentures for which the Company has power to issue.		
4.	OTHER LONG TERM LIABILITIES		
	Interest accrued not due payable after 12 months	-	82.12
	Total Other Long term Liabilities	-	82.12



NOTES TO THE FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS REQUIRED UNDER ACCOUNTING STANDARDS (CONSOLIDATED)

Note No.	DETAILS FOR BALANCE SHEET	Figures for the current reporting period 31.03.2014 ₹ in lakhs	Figures for the previous period 31.03.2013
5.	LONG TERM PROVISIONS		
	Provision for Employee benefits-Gratuity	86.51	76.97
	Total Long Term Provisions	86.51	76.97
6.	SHORT TERM BORROWINGS		
	Loans repayable on demand from -Secured		
a)	From Banks (Working Capital facilities-Cash Credit, Export packing credit and Bills discounted)		
	State Bank of India	1,494.46	1,142.11
	Bank of Baroda	-	2.89
	Indian Overseas Bank	305.90	0.07
	Corporation Bank	0.81	0.54
	Secured by a first charge on current assets, mortgage of factory land and buildings and second charge on movable fixed assets on pari passu basis.		
b)	Liability for imports for finance availed from foreign banks under Buyers' Credit Scheme secured by the Letters of Credit opened by the Banks	-	20.81
	Total Short term Borrowings	1,801.17	1,166.42
	There is no default in payment of principal or interest for the above		
7.	TRADE PAYABLES		
	Liabilities for Supplies and Services		
	Micro, Medium and Small Enterprises	8.38	103.99
	Others	351.87	432.03
	Total Payables	360.25	536.02



NOTES TO THE FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS REQUIRED UNDER ACCOUNTING STANDARDS (CONSOLIDATED)

Note No.	DETAILS FOR BALANCE SHEET	Figures for the current reporting period 31.03.2014	Figures for the previous period 31.03.2013
		₹ in lakhs	
8.	OTHER CURRENT LIABILITIES		
	Current Maturities of Long Term Debt (Secured)		
	Technology Development Board	167.00	167.00
	IndusInd Bank	-	6.69
	State Bank of India	203.00	164.00
	Interest Accrued but not due on borrowings	74.38	21.31
	Advance Received against sales	420.75	608.71
	Investor's Education and Protection Fund-Unpaid Dividend	5.07	6.95
	Liabilities for other Finance-Statutory Liabilities, Tax collections payable, Deduction from Salaries and Wages, etc.	27.43	19.64
	Total Other Current Liabilities	897.63	994.30
9.	SHORT TERM PROVISIONS		
	Provision for Employee benefits (Leave salary, Bonus and Gratuity due within an year)	91.11	142.98
	Provision for Income tax	0.37	59.00
	Total Short Term Provisions	91.48	201.98



NOTES TO THE FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS REQUIRED UNDER ACCOUNTING STANDARDS (CONSOLIDATED)

10. Fixed Assets

ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	Cost upto 31.03.2013	Additions	Sales/ Transfers	Cost upto 31.03.2014	Upto 31.03.2013	For the year	Upto 31.03.2014	As at 31.03.2014
								As at 31.03.2013
(Rs. in lakhs)								
TANGIBLE ASSETS								
Land	1,120.10	-	-	1,120.10	-	-	-	1,120.10
Buildings	2,591.43	10.92	-	2,602.35	85.92	-	879.15	1,723.20
Plant & Machinery	10,360.39	315.69	602.54	10,073.54	6,695.82	501.07	6,824.42	3,249.12
Vehicles	69.97	2.35	2.65	69.67	3.55	2.06	53.87	15.80
Furniture and fittings	283.56	0.41	13.39	270.58	135.77	14.45	140.62	129.96
Office Equipments	163.40	2.64	-	166.04	106.52	13.36	119.88	46.16
Sub Total A	14,588.85	332.01	618.58	14,302.28	7,783.72	746.95	8,017.94	6,284.34
INTANGIBLE ASSETS								
Computer Software	58.73	1.46	-	60.19	39.17	13.63	52.80	7.39
Sub Total B	58.73	1.46	-	60.19	39.17	13.63	52.80	7.39
Total (A + B)	14,647.58	333.47	618.58	14,362.47	7,822.89	760.58	8,070.74	6,291.73
Previous Year	15,048.98	189.97	591.37	14,647.58	7,414.64	985.49	7,822.89	6,824.69
								7,634.34

Additional Disclosure : Profit / (Loss) on disposal of Fixed Assets during the year ended 31st March, 2014 is ₹ 107.27 Lakhs (₹ 47.55 Lakhs for the year ended 31st March, 2013).



NOTES TO THE FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS REQUIRED UNDER ACCOUNTING STANDARDS (CONSOLIDATED)

Note No.	DETAILS FOR BALANCE SHEET	Figures for the current reporting period 31.03.2014 ₹ in lakhs	Figures for the previous period 31.03.2013
11.	INVESTMENTS		
	(I) In Government or Trust Securities		
	7 Years National Savings Certificate at cost	0.10	0.10
	(II) In Shares and Bonds		
	Non-trade Quoted		
	1500 Equity Shares of ₹ 10/- each in M/s. Lakshmi Machine Works Limited, fully paid up at cost	0.14	0.14
	10000 Equity Shares of ₹ 10/- each in M/s. Precision Fasteners Limitec, fully paid up, at cost	5.00	5.00
	200 Equity Shares of ₹ 10/- each in M/s. IFCI Limited fully paid up at cost	0.04	0.04
	334 Equity Shares of ₹ 10/- each in State Bank of India, fully paid up, at cost	1.59	1.59
	13100 Equity Shares of ₹ 10/- each in M/s. Veejay Sales & Services Ltd., fully paid up, at cost	1.31	1.31
	Total	8.18	8.18
	Less Investment Fluctuation Reserve	5.02	5.02
	Total	3.16	3.16
	Aggregate Value of Quoted Investment – Cost	6.77	
	– Market Value	52.20	
	Aggregate Value of Unquoted Investments – Cost	1.41	
12.	Deferred Tax Asset- (Net)		
	Carry Over Loss and other timing difference items	3,190.88	2,724.76
	Deferred Tax Asset-A	895.10	901.16
	Depreciation	2,163.37	2,286.29
	Deferred Tax Liability-B	720.76	750.73
	Deferred Tax Asset-(Net) A-B	174.34	150.43



NOTES TO THE FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS REQUIRED UNDER ACCOUNTING STANDARDS (CONSOLIDATED)

Note No.	DETAILS FOR BALANCE SHEET	Figures for the current reporting period 31.03.2014 ₹ in lakhs	Figures for the previous period 31.03.2013
13.	Long Term Loans and Advances		
	Secured considered good		
	Capital Advances	42.71	77.62
	Security Deposits	55.38	95.18
	Long Term Loans and Advances - Total	98.09	172.80
	All the above are unsecured but considered good and no allowance made for bad or doubtful debt		
14.	INVENTORIES		
	Raw Materials	1,852.26	1,410.81
	Scrap	2.72	3.03
	Components	1,261.99	270.34
	Work-in-Progress	1,255.45	1,895.85
	Stores and Spares	155.68	152.21
	Finished Goods	188.96	75.99
	Goods in transit	-	1.17
	Retired Assets held for disposal	2.15	4.42
	Total Inventory	4,719.21	3,813.82
15.	TRADE RECEIVABLES		
	a) Outstanding for a period above six months		
	i. Secured considered good	-	-
	ii. Unsecured considered good	61.83	94.13
	iii. Doubt ful	25.59	25.59
	(Allowance for Bad and doubt ful debts in iii above)	-25.59	-25.59
	b. Others		
	i. Secured considered good	-	-
	ii. Unsecured considered good	184.51	415.30
	iii. Doubt ful	-	-
	(Allowance for Bad and doubt ful debts in iii above)	-	-
	Total Trade receivables	246.34	509.43
	Debts due by Directors or other officers or debts due by firms or private companies of which any Director is a partner, member or Director included in above		



NOTES TO THE FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS REQUIRED UNDER ACCOUNTING STANDARDS (CONSOLIDATED)

Note No.	DETAILS FOR BALANCE SHEET	Figures for the current reporting period 31.03.2014 ₹ in lakhs	Figures for the previous period 31.03.2013
16. CASH AND CASH EQUIVALENTS			
	Balance with Banks		
	– in Current Accounts	9.51	36.06
	– in Deposit Accounts-maturity above 12 months	12.10	11.44
	– in Deposit Account with maturity less than 12 months	–	75.51
	– Deposits for Margin money or for other commitments/security	12.67	1.50
	Cheques, drafts on hand	–	–
	Ear marked balances with Banks-Unpaid Dividends (Investor's Protection and Education Fund)	5.07	6.95
	Cash on hand	10.48	23.81
	Total Cash and Cash equivalents	49.83	155.27
17. SHORT TERM LOANS AND ADVANCES			
	Unsecured-considered good		
	i) Advance to Suppliers-Others	117.69	188.69
	ii) Advance to Staff and Workers	14.94	9.23
	Unsecured-Doubtful	–	–
	Advance to suppliers-others	4.19	4.18
	Allowance for Doubtful Loans	–	–
	Total Short Term Loans and Advances	136.82	202.10
18. OTHER CURRENT ASSETS			
	Advance payment of Taxes and TDS	129.61	160.90
	Central/State credit, Duty draw back and other receivables, MAT credit entitlements	481.47	438.22
	Prepaid Expenses	31.94	27.40
	Total Other Current Assets	643.02	626.52
19. REVENUE FROM OPERATIONS			
	a) Sale of Products	15,322.11	11,861.67
	b) Sale of Services	234.05	221.36
	c) Other operating revenues	235.09	184.42
	Sub total	15,791.25	12,267.45
	Less Excise Duty	1,075.14	646.28
	Revenue net of Excise duty	14,716.11	11,621.17



NOTES TO THE FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS REQUIRED UNDER ACCOUNTING STANDARDS (CONSOLIDATED)

Note No.	DETAILS FOR BALANCE SHEET	Figures for the current reporting period 31.03.2014 ₹ in lakhs	Figures for the previous period 31.03.2013
20. OTHER INCOME			
	Interest Receipts	5.47	12.77
	Dividend Receipts	0.44	0.87
	Net gain/Loss on Asset	107.27	3.43
	Miscellaneous Income	4.65	3.76
	Total Other Income	117.83	20.83
21. COST OF MATERIALS CONSUMED			
	Raw Materials-Ferrous	965.87	349.49
	Raw Materials-Non-Ferrous	297.63	138.52
	Raw Materials-Castings	186.43	83.60
	Raw Materials-Non metal	161.72	93.73
	Components	1,403.38	2,145.90
	Material - Cotton	4,876.07	3,340.67
	Raw Materials Consumed	7,891.10	6,151.91
22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN PROCESS AND STOCK IN TRADE			
	Opening Stock	1,976.05	2,670.54
	Closing Stock	1,447.13	1,976.05
	(Increase)/Decrease	528.92	694.49
23. EMPLOYEE BENEFITS			
	Salary, Wages, Gratuity, etc.	1,451.38	1,357.86
	Contribution to Provident Fund	71.58	63.02
	Staff and Labour Welfare expenses	259.53	151.87
	Total Employee Cost	1,782.49	1,572.75
25. FINANCE COSTS			
	Interest and other borrowing costs	246.70	446.72
	Net gain/loss on Foreign currency transactions	0.00	-3.46
	Total Finance Cost	246.70	443.26



NOTES TO THE FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS REQUIRED UNDER ACCOUNTING STANDARDS (CONSOLIDATED)

Note No.	DETAILS FOR BALANCE SHEET	Figures for the current reporting period 31.03.2014	Figures for the previous period 31.03.2013
		₹ in lakhs	
25. OTHER EXPENSES			
	Stores Consumed	494.21	420.63
	Fabrication Charges	345.06	192.92
	Power and Fuel	1,122.27	820.91
	Freight	144.04	97.76
	Printing and Stationery	29.30	19.08
	Postage and Telephone	15.22	20.84
	Travelling and Vehicle Maintenance	79.03	82.97
	Insurance	14.04	11.63
	Rent	14.62	14.68
	Bank Charges	14.39	10.76
	Licences and Taxes	67.11	48.02
	Sales Commission	230.49	158.37
	Sales Promotion Expenses	14.19	93.88
	Subscription and Periodicals	5.04	3.87
	Directors' Sitting Fees	2.26	0.85
	Audit Fees	2.39	2.40
	Legal and Professional Charges	29.66	18.99
	Repairs and Maintenance-Buildings	30.11	15.76
	Repairs and Maintenance-Machinery	215.11	94.36
	Repairs and Maintenance-Others	5.97	31.71
	Bad Debts written off & Provision for Doubtful debts	18.01	47.64
	Foreign Exchange Fluctuation Loss	2.76	0.00
	Miscellaneous Expenses	-	0.09
	Donations	1.35	0.40
	Total Other Expenses	2,897.57	2,208.52

See accompanying notes to the financial statements

Coimbatore 26th May, 2014	As per our report attached For N.R. DORAISWAMI & CO. Chartered Accountants (Firm Registration No. 000771S)	V.J. JAYARAMAN Chairman Cum Managing Director	J. ANAND, Managing Director
	(Sd/-) SUGUNA RAVICHANDRAN	D. RANGANATHAN Whole-Time Director	S. VINOD KUMAR Company Secretary
	Partner, (Membership No. 207893)		



CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.3.2014

	Year ended March, 2014	Year ended March, 2013
A. Cash Flow from Operating Activities		
Net Profit Before Tax and extra ordinary item	427.23	-889.79
Adjustments for :		
Depreciation	760.58	985.49
Interest paid	246.70	443.26
Profit on sale of Investments/Assets	-107.27	-3.43
Interest/Dividend Income	-5.91	-13.64
Miscellaneous Income/Exchange Gain	-	-
Operating Profit before working capital changes	1,321.33	521.89
(Increase)/Decrease in Trade and Other Receivables	354.79	41.70
Increase/(Decrease) in Payables	268.79	29.47
Decrease/(Increase) in Inventories	-905.39	46.48
Cash generated from operations	1,039.52	639.54
Direct Taxes paid	-23.98	23.86
Cash flow before extra ordinary items	1,015.54	663.40
Net Cash from Operating Activities	1,015.54	663.40
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	-333.47	-189.97
Sale of Fixed Assets	213.12	17.54
Investment in Subsidiary	-	-
Sale of Investments	-	-
Interest received	5.97	13.53
Dividend Received	0.44	0.87
Net cash used for Investing Activities	-113.94	-158.03
C. Cash flow from Financing Activities		
Increase /(Repayment) of Long Term borrowings	-2,639.41	-165.95
Dividends paid	-1.88	-1.94
Interest paid	-275.75	-465.41
Proceeds from issuance of Share Capital	1,910.00	-
Net cash from financing activities	-1,007.04	-633.30
Net Increase in cash and cash equivalents	-105.44	-127.93
Cash and Cash equivalents as at 31.03.2013	155.27	283.20
Cash and Cash equivalents as at 31.03.2014	49.83	155.27

Coimbatore 26th May, 2014	As per our report attached For N.R. DORAISWAMI & CO. Chartered Accountants (Firm Registration No. 000771S)	V.J. JAYARAMAN Chairman Cum Managing Director	J. ANAND Managing Director
	(Sd/-) SUGUNA RAVICHANDRAN	D. RANGANATHAN Whole-Time Director	S. VINOD KUMAR Company Secretary
	Partner, (Membership No. 207893)		



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31.03.2014

I. SIGNIFICANT ACCOUNTING POLICIES

1. **Principles of Consolidation :** The consolidated financial statements relates to Veejay Lakshmi Engineering Works Limited, the holding company and its subsidiary.

The Subsidiary company considered in the consolidated financial statement is M/s. Veejay Lakshmi Textiles Limited, a company incorporated in India and 100% of the Equity Shares of the subsidiary are held by the holding company.

2. **Depreciation of Subsidiary:** Depreciation has been provided on straight-line Method in respect of all the assets in accordance with Schedule XIV of the Companies Act, 1956. Depreciation on additions during the year has been provided on pro-rata for the period for which the assets have been put to use. Wind Turbines have been classified as continuous process plants and depreciated accordingly as has been done in the past.

3. **Other Significant Policy :** These are as set out under "Significant Accounting Policies" of the financial statements of Veejay Lakshmi Engineering Works Limited.

Inventory Valuation of Subsidiary:

S.No.	Particulars	Basis
1.	Raw Material	At identified lot costs or market value, whichever is lower
2.	Finished Goods	At cost or net realizable value, whichever is lower
3.	Work-in progress	At estimated cost or net realizable value, whichever is lower
4.	Waste	At realizable value
5.	Stock of Stores	At cost

II. Notes to Profit and Loss Account and Balance Sheet as at 31st March 2014

1. The consolidated financial statements have been prepared in accordance with Accounting Standard 21.

2. EXPENDITURE IN FOREIGN CURRENCY

A. Value of Imports CIF	2013-2014		2012-2013	
	₹ in Lakhs		₹ in Lakhs	
i. Raw materials	572.26		458.03	
ii. Components, spares parts and consumables	1,526.27		1,304.24	
iii. Capital goods	155.52		46.26	
B. OTHER MATTERS	52.10		11.00	
C. CONSUMPTION	₹ in Lakhs	% of Total Consumption	₹ in Lakhs	% of Total Consumption
i. Total value of all imported raw materials, components and spares parts consumed	2,220.56	28%	1,378.76	22%
ii. Total value of all indigenous raw materials, components and spares parts consumed	5,670.54	72%	4,773.15	78%
	7,891.10	100%	6,151.91	100%



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31.03.2014

3. Contingent Liabilities and Claims not acknowledged as Debts

(₹ in Lakhs)

Particulars	31.03.2014	31.03.2013
a. Duty liability and interest on account of pending export obligation against EPCG Licences	15.00	11.53
b. Income tax liability on expenses disallowed / additions proposed disputed in appeals	-	1.30
c. Amounts claimed by customs, Excise and Market committee authorities disputed in appeals	44.48	28.16
d. Claims from Debtors, Creditors and workmen not acknowledged as debts including interest	28.18	28.18
e. Guarantees issued by Banks on behalf of the Company	437.70	589.70
f. Letter of Credit opened by Banks on behalf of the Company	3.44	88.53
g. Guarantee issued on behalf of Associate Company in which Directors are interested	50.00	50.00
h. Estimated amount of contracts remaining to be executed on capital account and not provided for	24.78	183.29
j. Arbitration awards were made in favour of two foreign cotton suppliers. This has been challenged by the Company in the court of Law	49.17	49.17

4. Research and Development Expenses incurred 47.69 94.55
5. Gain/(Loss) on account of foreign exchange difference included in the Profit and Loss Account on account of foreign currency borrowings included under finance cost and other expenses 3.63 27.04

6. CONSOLIDATED SEGMENT REPORT FOR THE YEAR ENDED 31.03.2014

₹ in lakhs

Revenue	31st March 2014				31st March 2013			
	Engg. Dvn.	Wind Mill	Textiles Dvn.	Total	Engg. Dvn.	Wind Mill	Textiles Dvn.	Total
External Sales	6,962	278	7,485	14,725	6,398	318	4,912	11,628
Inter Segment Transfers	-5	-	-4	-9	-4	-	-3	-7
Total Revenue	6,957	278	7,481	14,716	6,394	318	4,909	11,621
Result								
Segment Result	31	133	171	335	25	185	-200	10
Un allocated including exceptional items	-	-	-	333	-	-	-	-478
Operating Profit	-	-	-	668	-	-	-	-468
Interest Expense	-	-	-	-247	-	-	-	-443
Interest Income	-	-	-	6	-	-	-	21
Income Taxes	-	-	-	27	-	-	-	557
Unallocable Income	-	-	-	454	-	-	-	-
Profit from Ordinary Activities	-	-	-	454	-	-	-	-333
Extra Ordinary Items	-	-	-	-	-	-	-	-
Net Profit	-	-	-	454	-	-	-	-333
Other Information	-	-	-	-	-	-	-	-
Segment Assets	5,330	400	6,341	12,071	5,510	846	5,738	12,094
Un allocated Corporate Assets	-	-	-	292	-	-	-	364
Total Assets	-	-	-	12,363	-	-	-	12,458
Segment Liabilities	830	-	2,068	2,898	975	-	1,596	2,571
Un allocated Corporate Liabilities	-	-	-	9,655	-	-	-	9,887
Total Liabilities	-	-	-	12,363	-	-	-	12,458
Capital Expenditure	192	-	141	333	100	-	90	190
Depreciation	383	114	259	756	429	114	438	981
Non Cash Expenditure other than depreciation	-	-	-	-	-	-	-	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT
FOR THE YEAR ENDED 31.03.2014

7. RELATED PARTY DISCLOSURES FOR THE YEAR ENDED 31.03.14

₹ in Lakhs

Particulars	Period	Associated Companies Firms / Key Managerial Personnel
Purchase of goods and services-raw materials, components and engineering job works	2013-14	1,498.75
	2012-13	662.31
Sale of machinery, spares, raw-materials, components and job works	2013-14	799.71
	2012-13	263.49
Sales Commission paid	2013-14	129.06
	2012-13	124.23
Rent paid	2013-14	14.52
	2012-13	13.29
Managerial Remuneration	2013-14	54.27
	2012-13	55.13
Unsecured Loans	2013-14	2,342.07
	2012-13	2,400.26
Interest paid on loans	2013-14	161.34
	2012-13	202.16
Finance including loans and equity/Preference Share Capital contribution in cash or in kind	2013-14	2,417.19
	2012-13	0.00
Guarantees and Collaterals	2013-14	50.00
	2012-13	50.00
Outstanding due from the Company	2013-14	0.05
	2012-13	97.60
Outstanding due to the Company	2013-14	29.52
	2012-13	8.65

There are no doubtful debts from the above parties on the balance sheet date and no amount has been written off or written back from the above parties during the year.

Names of associate companies and firms (Companies and firms in which the directors are associated as directors / partners or proprietors)

A. Companies/firms with which the company had transactions during the year.

Sl.No. Name of the Company/firm

1. M/s. Veejay Sales and Services Limited
2. M/s. Veejay Terry products Limited
3. M/s. Veejay marketing
4. M/s. Veejay Syntex Private Limited
5. M/s. Veejay Tool & Die Private Limited
6. M/s. Veejay Yarns & Fabrics Private Limited

Necessary approvals have been taken/applied from the Central Government for the transactions with the above parties and no contract is detrimental to the interest of the company.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT
FOR THE YEAR ENDED 31.03.2014

Sl.No. Name of the Company/firm

B. Companies/firms with which the Company had no transactions during the year.

1. M/s. Krishna Mills Private Limited
2. M/s. Lakshmi Precision Tools Limited
3. M/s. Deluxe Marketing
4. M/s. Deluxe Components
5. M/s. Ranba Castings Limited
6. M/s. Samrajyaa & Co
7. M/s. The Suguna Mills Private Limited.
8. M/s. Magna Electro Castings Limited
9. M/s. Prathista Weaving & Knitting Co. Ltd.
10. M/s. Augustan Knit Wear Pvt. Ltd.
11. M/s. Augustan Textile Colors Pvt Limited
12. M/s. Augustan Coimbatore Knitting Company Limited

C. Name of the Wholly Owned Subsidiary Company

1. Veejay Lakshmi Textiles Limited

D. Name of the Key Managerial Personnel

1. Sri. V.J. Jayaraman, Chairman cum Managing Director
2. Sri. J. Anand, Managing Director
3. Sri. D. Ranganathan, Whole Time Director (Finance & Marketing)

E. Relatives of the Key Managerial Personnel

1. Smt. J. Vidya W/o Sri. V.J. Jayaraman
2. Smt. Arthi Anand W/o Sri. J. Anand

8. Earnings Per Share

(₹ in lakhs)

	31.03.2014	31.03.2013
Profit for the year as per Profit and Loss Account	427.23	(889.79)
Less : Taxes	(27.27)	556.57
Profit After Tax	454.50	(333.22)
Number of Shares	50,71,900	50,71,900
EPS / Diluted EPS	8.96	-6.57

9. Figures have been rounded off to ₹ in Lakhs and previous year figures have been regrouped / rearranged wherever necessary.

As per our report attached For N.R. DORAISWAMI & CO. Chartered Accountants (Firm Registration No. 000771S) (Sd/-) SUGUNA RAVICHANDRAN Partner, (Membership No. 207893)	V.J. JAYARAMAN Chairman Cum Managing Director D. RANGANATHAN Whole-Time Director	J. ANAND Managing Director S. VINOD KUMAR Company Secretary
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Coimbatore
26th May, 2014

BOOK POST



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To

VEEJAY LAKSHMI TEXTILES LIMITED

Certified True Copy.

For Veejay Lakshmi Engineering Works Ltd.

(D Ranganathan)
Whole Time Director

VEEJAY LAKSHMI TEXTILES LIMITED

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BOARD OF DIRECTORS

Sri V.J. Jayaraman
 Sri J. Anand
 Sri N.M. Ananthapadmanabhan
 Sri B. Selvarajan
 Sri B. Sriram
 Sri D. Ranganathan

COMPANY SECRETARY

Sri V.K. Swaminathan

AUDITOR

M/s. Gurubatham & Associates
 Chartered Accountants
 Coimbatore

REGISTERED OFFICE

Sengalipalayam
 N.G.G.O Colony Post
 Coimbatore 641 022

MANUFACTURING UNITS

Thekkampatti
 Mettupalayam
 Coimbatore 641 113

WIND MILLS

Dhanakarkulam Village
 Radhapuram Taluk
 Tirunelveli

**NOTICE OF THE THIRTEENTH ANNUAL GENERAL MEETING**

Notice is hereby given that the Thirteenth Annual General Meeting of the Company will be held on Thursday, the 25th September 2014 at 9.00 AM at No.8, A.T.T. Colony, Coimbatore - 641 013 to transact the following business. We request you to attend the meeting.

ORDINARY BUSINESS:

1. To consider and adopt the Audited Accounts of the Company for the year ended 31st March 2014, the Report of the Board of Directors to the shareholders and the Report of the Auditors of the Company.
2. To appoint a Director in place of Sri. V.J. Jayaraman, who retires by rotation, and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sri. D. Ranganathan, who retires by rotation, and being eligible offers himself for re-appointment.
4. To appoint an Auditor or Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix the remuneration payable to them.

By Order of the Board

Coimbatore
26.05.2014

(Sd/-) V.J. Jayaraman
Chairman

Note:

1. Every member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. Such proxy need not be a member of the Company.
2. The proxy form duly filled in and stamped has to be delivered to the Company not later than 48 hours before the time of holding the aforesaid meeting. Where a Body Corporate is a member of the Company, the resolution passed by the Board of Directors authorizing the representative to attend to the meeting shall be forwarded to the company duly certified in advance.

**DIRECTORS' REPORT TO SHAREHOLDERS**

Dear Shareholders,

Your Directors present the Thirteenth Annual Report along with audited accounts for the year ended 31st March, 2014.

SALES & PROFITS

The sales turnover of the company during the year has been at Rs.7,627 lakhs compared to that of Rs.5,044 lakhs in the previous year. There has been a net profit of Rs.378 lakhs for the year.

FINANCIAL RESULTS

	2013-14	2012-13
	Rs.	Rs.
Sales Turnover	762,708,276	504,386,318
Gross Profit / (-) Loss	-	1,461,248
Depreciation	30,771,512	48,691,892
Exceptional Items	35,657,034	-
Net Profit / (-) Loss	37,820,147	(-) 47,230,644
Tax for prior years	-	2,452,642
Deferred Tax Liability / (Asset)	-263,200	45,155,800
Profit / (-) Loss after tax	37,556,947	(-) 4,527,486
Balance Reserve / Surplus at the beginning of the reporting period	(-) 111,922,695	(-) 107,395,209
Balance Reserve / Surplus at the end of the reporting period	(-) 74,365,748	(-) 111,922,695

OPERATIONS

The continuing power cut throughout the year restricted the optimum utilization of spinning capacity.

Though more than two thirds of the yarn produced had been exported, the fluctuating exchange rate had an impact on the margins. The exports had to be reduced at the end of the year in view of the unfavorable export price.

The income on account of power generation from wind mills was substantially less than that should have been as wind power was not fully evacuated during the peak generation period. The income on this account was Rs.141.5 lakhs in the year.

FINANCE

The Company's operations ended with Net Profit of Rs.378.2 lakhs after providing Rs.307.7 lakhs towards depreciation.

The increased exports has helped to ease the stress on liquidity. The repayment of term borrowings has been as per schedule.

**DIRECTORS**

Sri. V.J. Jayaraman and Sri. D. Ranganathan will be the Directors retiring by rotation at the ensuing Annual General Meeting and being eligible, they offer themselves for re-appointment.

AUDIT COMMITTEE

Sri. N.M. Ananthapadmanabhan, Sri B. Selvarajan and Sri B. Sriram are the members of the Audit Committee. Sri. N.M. Ananthapadmanathan is the Chairman. The Audit Committee met four times during the financial year 2013-14.

INDUSTRIAL RELATIONS

The relationship with the workmen has been cordial throughout the year.

INFORMATION IN ACCORDANCE WITH SECTION 134 OF THE COMPANIES ACT, 2013

There are no employees within the meaning of section 134 who are getting remuneration in excess of the amounts prescribed.

AUDITORS

M/s. Gurubham & Associates, Chartered Accountants, the Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting. The Company has received a letter from them stating that the appointment, if made, will be within the prescribed limit under Section 141 of the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors wish to state:

1. that the applicable accounting standards had been followed in the preparation of the annual accounts.
2. that your 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 the period ended 31st March 2014.
3. that your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for the purpose of safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. that your Directors have prepared the annual accounts on a going concern basis.
5. that your Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

ACKNOWLEDGEMENT

We would like to thank all the employees, customers, suppliers, bankers-State Bank of India and Indian Overseas Bank and all those who have been associated with us for extending their support to the Company.

Coimbatore
26.05.2014

By Order of the Board
(Sd/-) V.J. Jayaraman
Chairman

**ANNEXURE TO DIRECTORS' REPORT**

DISCLOSURE OF PARTICULARS AS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988

FORM A**A) CONSERVATION OF ENERGY**

Form for Disclosure of Particulars with respect to Conservation of Energy

Sl. No.	Particulars	2013-14	2012-13
A.	Power and Fuel Consumption		
1	Electricity		
a)	Purchased		
	Units	1,396,064	87,795
	Total Amount (Rs.)	7,678,352	482,873
	Rate/Unit (Rs.)	5.50	5.50
b)	Own generation		
(i)	Through diesel generators (units)	373,963	1,026,674
	Units per ltr. of diesel oil	3.43	3.41
	Cost/unit (Rs.)	16.16	13.47
(ii)	Through steam turbine/generator (Units)	NIL	NIL
(iii)	Wind Mill Generation*		
	Units		
	Total Amount (Rs.)	Details given below	Details given below
2	Coal		
	Quantity	NIL	NIL
	Total Cost	NIL	NIL
3	Furnace Oil		
	Quantity	NIL	NIL
	Total Amount	NIL	NIL
4	Others/internal generation		
	Quantity	NIL	NIL
	Total Cost	NIL	NIL
B.	Consumption per unit of Production		
	Cotton yarn in kgs	3,586,917	2,862,063
	Electricity - units per kg of yarn*	2.53	2.78

*Electricity consumption for Spinning division alone.

The power consumption from TANGEDCO includes the wind energy power adjusted as given below:

Details of the Windmills	Capacity	Generation net of wheeling kWh	Capacity	Generation net of wheeling kWh
	2013-14		2012-13	
Owned by the Company	1.80 MW	2,572,740	1.80 MW	3,619,011
Owned by the Holding Company	0.60 MW	990,036	0.60 MW	1,268,432
Owned by the Associate Company	0.75 MW	4,599,117	0.75 MW	5,993,436
Total	3.15 MW	8,161,893	3.15 MW	10,880,879
Adj. Against own consumption		7,929,203		6,957,221
Balance Carried over*		232,690		3,923,658



Balance carried over is banked with TANGEDCO for which consideration is receivable at the rate fixed by the government. The loss on units lapsed/banked have been shared equally with the Windmill owners. The wind power from the Holding Company and the associate company has been purchased at the rate of Rs.4.00 per unit.

Details furnished above are in respect of production in the textile spinning units owned by the company. Power consumed in the unit where only twisting is done and also the power consumed for yarn produced outside on job work basis is not included above.

FORM B**B) TECHNOLOGY ABSORPTION**

Sl.No	Particulars	Remarks
	(A) RESEARCH AND DEVELOPMENT	
1	Specific areas in which R & D is carried out by the Company	Nil
2	Benefit derived as a result of the above R & D	Not Applicable
3	Further plan of action	Not Applicable
4	Expenditure on R & D (a) Capital (b) Recurring (c) Total (d) Total expenditure as a percentage of Turnover	Not Applicable Not Applicable Not Applicable Not Applicable
	(B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION	
1	Efforts in brief, made towards Technology absorption, adaptation and innovation	Nil
2	Benefits derived as a result of the above efforts	Not Applicable
3	Details of Technology imported during last 5 years Technology imported Year of Import Has technology been fully absorbed If not fully absorbed, areas where this has taken place, reasons therefore and future plan of action	Nil Not Applicable Not Applicable Not Applicable Not Applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	2013-14	2012-13
TOTAL FOREIGN EXCHANGE EARNED (Rs. lakhs):		
Export of Yarn, Fabric & Garments	4,826	3,752
TOTAL FOREIGN EXCHANGE USED		
Import of Accessories and spares	-	-
Import of Raw materials	-	428
Total Foreign Exchange used	-	428



AUDITORS' REPORT TO THE MEMBERS OF M/s. VEEJAY LAKSHMI TEXTILES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of M/s Veejay Lakshmi Textiles Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- 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

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") 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.



2. As required by section 227(3) of the Act, we report that:
- 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;
 - 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
 - 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.
 - 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, and notified under the Companies Act, 1956 read with General Circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
 - On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For GURUBATHAM & ASSOCIATES

Chartered Accountants
(Firm Regn. No.:010982S)

(Sd/-) R. Gurubatham, B.Com., F.C.A.,
Partner
Membership No. 200/21556

Coimbatore
26.05.2014

**ANNEXURE TO THE AUDITORS' REPORT**

The Annexure referred to in paragraph 1 of our Report of even date to the members of Veejay Lakshmi Textiles Limited on the accounts of the company for the year ended 31st March, 2014.

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

- In respect of Fixed Assets:
 - The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
 - The fixed assets disposed off during the year, in our opinion do not constitute a substantial part of the fixed assets of the company and such disposal has, in our opinion not affected the going concern status of the company.
- In respect of its Inventories:
 - As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
 - 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.
 - 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.
- In respect of loans, Secured or unsecured granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956 : According to the information & explanation given to us:
 - The company has no unsecured loan due to directors which is covered in the register maintained under section 301 of the Companies Act, 1956.
 - The company has not granted any loans or advances in the nature of loans to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956.
- 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, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- In respect of contracts or arrangements entered in the register maintained in pursuance of section 301 of the Companies Act 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - The particulars of contracts or arrangements referred to in section 301 of the Act that needed to be entered into the register maintained under the said section have been entered.
 - In our opinion and according to the information and explanations given to us, the transaction made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
- In our opinion the internal Audit functions carried out during the year by an Independent Chartered Accountant appointed by the management have been commensurate with its size and the nature of its business.
- As per information & explanations 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. We have however not made a detailed examination of the records with a view to determining whether they are accurate or complete.



ix) In respect of Statutory dues:

- a) According to the information and explanations given to us, the company has generally been regular in depositing 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 and any other statutory dues with the appropriate authorities during the year. There are no undisputed statutory dues as on 31st of March, 2014.
- 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 accumulated loss at the end of the financial year is less than 50 % its Net Worth and the company has not incurred cash loss during the financial year, but incurred cash loss 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 defaulted in repayment of dues to banks.
- 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. Hence the provisions of the clause 4 (xii) of the Companies (Auditor's Report) Order are not applicable.
- xiii) The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
- xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in Shares, Mutual funds & other Investments. Hence the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable.
- 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 during the year.
- xvi) To the best of our knowledge and belief and according to the information and explanation given to us, in our opinion the company has not raised any term loans during the year.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
- xviii) According to the information and explanations given to us, the company has made preferential allotment of preference shares. In our opinion the price at which shares have been issued is not prejudicial to the interest of the company.
- xix) The company has not raised money by way of public issue during the year.
- xx) To the Best of our Knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

Coimbatore
26.05.2014

For GURUBATHAM & ASSOCIATES
Chartered Accountants
(Firm Regn. No.:010982S)

(Sd/-) R. Gurubatham, B.Com., F.C.A.,
Partner
Membership No. 200/21556



AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE PER CLAUSE 49 OF THE LISTING AGREEMENT WITH STOCK EXCHANGES

To

The Members of Veejay Lakshmi Limited

We have examined the compliance of conditions of Corporate Governance by VEEJAY LAKSHMI LIMITED, for the year ended on 31.03.2014, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of 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 grievance is pending for a period exceeding one month against the Company, as per the records maintained by the Investor Grievance Committee.

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 GURUBATHAM & ASSOCIATES
Chartered Accountants
(Firm Regn. No.:010982S)

(Sd/-) R. Gurubatham, B.Com., F.C.A.,
Partner
Membership No. 200/21556

Coimbatore
26.05.2014

BALANCE SHEET AS AT 31ST MARCH 2014

(Amount in Rupees)			
	Note No.	Figures at the end of the current reporting period 31.03.2014	Figures at the end of the previous reporting period 31.03.2013
I. EQUITY AND LIABILITIES			
(1) Share Holder's Funds			
(a) Share Capital	1	471,000,000	240,000,000
(b) Reserves and Surplus	2	-74,365,748	-111,922,695
Sub total (1)		396,634,252	128,077,305
(2) Non Current Liabilities			
(a) Long Term Borrowings	3	48,875,637	336,116,425
(b) Long-term Provisions	4	2,656,512	2,498,491
Sub total (2)		51,532,149	338,614,916
(3) Current Liabilities			
(a) Short term Borrowings	5	154,006,526	114,211,325
(b) Trade Payables	6	18,073,288	25,005,518
(c) Other Current Liabilities	7	26,480,778	22,188,730
(d) Short-term provisions	8	8,265,221	6,855,713
Sub total (3)		206,825,813	168,261,287
TOTAL LIABILITIES		654,992,214	634,953,507
II. ASSETS			
(1) Non-current Assets			
(a) Fixed Assets			
i) Tangible Assets	9	376,618,518	403,536,988
Sub total (a)		376,618,518	403,536,988
(b) Non current investments	10	131,000	131,000
(c) Deferred Tax Asset (Net)	11	34,925,000	35,188,200
(d) Long Term Loans and Advances	12	7,174,605	10,680,462
Sub total (1)		418,849,123	449,536,650
(2) Current Assets			
(a) Inventories	13	180,942,061	98,254,214
(b) Trade Receivables	14	17,145,884	45,365,648
(c) Cash and Cash equivalents	15	1,903,617	5,665,353
(d) Short term Loans and Advances	16	2,252,098	5,551,750
(e) Other current assets	17	33,899,431	30,579,892
Sub total (2)		236,143,091	185,416,857
TOTAL ASSETS		654,992,214	634,953,507

As per our report attached.
For GURUBATHAM & ASSOCIATES
Chartered Accountants, Firm Regn No: 010982S

(Sd/-) V.J. JAYARAMAN
Chairman

(Sd/-) J. ANAND
Managing Director

Coimbatore (Sd/-) R. GURUBATHAM, B.Com., F.C.A.,
26.05.2014 Partner, Membership No. 200/21556

(Sd/-) V.K. SWAMINATHAN
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in Rupees)			
	Note No.	Figures for the current reporting period 31.03.2014	Figures for the previous reporting period 31.03.2013
Income			
I. Revenue from operations	18	762,708,276	504,386,318
II. Other Income	19	9,642,139	2,589,493
III. Total Revenue (I+II)		772,350,415	506,975,810
IV. Expenses			
Cost of Materials consumed	20	487,606,869	334,067,107
Purchase of Stock in trade		65,592,735	-
Changes in Inventories of Finished goods, Work-in process and Stock in trade	21	-6,554,087	-9,346,767
Employees Benefit Expense	22	50,728,181	43,620,808
Finance Costs	23	18,817,400	37,117,294
Depreciation and amortization expenses		30,771,512	48,691,892
Other expenses	24	123,224,692	100,056,120
Total Expenses		770,187,302	554,206,455
V. Profit before exceptional and extraordinary items and tax (III-IV)		2,163,113	-47,230,644
VI. Exceptional items	25	-35,657,034	-
VII. Profit before extraordinary items and tax (V-VI)		37,820,147	-47,230,644
VIII. Extraordinary items		-	-
IX. Profit before Tax		37,820,147	-47,230,644
X. Tax Expense			
Current Tax		-	-
MAT Credit entitlement written off after statutory period		-	2,452,642
Deferred Tax Asset/Liability		-263,200	45,155,800
XI. Profit and Loss for the period from continuing operations (IX-X)		37,556,947	-4,527,486
XII. Earning per share (Rs.)			
Basic & Diluted		3.13	-0.38

As per our report attached.
For GURUBATHAM & ASSOCIATES
Chartered Accountants, Firm Regn No: 010982S

(Sd/-) V.J. JAYARAMAN
Chairman

(Sd/-) J. ANAND
Managing Director

Coimbatore (Sd/-) R. GURUBATHAM, B.Com., F.C.A.,
26.05.2014 Partner, Membership No. 200/21556

(Sd/-) V.K. SWAMINATHAN
Company Secretary



Notes on Accounts – Balance Sheet

PARTICULARS	(Amount in Rupees)	
	Figures at the end of the current reporting period 31.03.2014	Figures at the end of the previous reporting period 31.03.2013
1. SHARE CAPITAL		
Equity Share Capital		
Face/par value per share-Rs.	10	10
Authorised Capital-Number of shares	12,000,000	12,000,000
Authorised Capital-Amount	120,000,000	120,000,000
6% Non-Cumulative Optionally Convertible Redeemable Preference Share Capital		
Face/par value per share – Rs.	10	10
Authorised Capital-Number of shares	36,000,000	12,000,000
Authorised Capital-Amount	360,000,000	120,000,000
Issued, Subscribed and fully paid up Capital-No of shares		
Equity Shares	12,000,000	12,000,000
6% Non-Cumulative Optionally Convertible Redeemable Preference Shares	35,100,000	12,000,000
Total paid up Capital Value		
Equity Shares	120,000,000	120,000,000
6% Non-Cumulative Optionally Convertible Redeemable Preference Shares	351,000,000	120,000,000
Total	471,000,000	240,000,000
Subscribed but not fully paid	Nil	Nil
No of shares paid up outstanding at the beginning of reporting period		
Equity Shares	12,000,000	12,000,000
6% Non-Cumulative Optionally Convertible Redeemable Preference Shares	12,000,000	12,000,000
Changes during the reporting period		
Equity Shares	Nil	Nil
6% Non-Cumulative Optionally Convertible Redeemable Preference Shares	23,100,000	Nil
No of shares paid up outstanding at the end of reporting period	47,100,000	24,000,000
No of shares held by persons holding more than 5% shares by each person		
Equity Shares	%	
1. Veejay Lakshmi Engineering Works Ltd.	100	12,000,000
6% Non-Cumulative Redeemable Preference Shares		
1. Veejay Lakshmi Engineering Works Ltd.,	33.97	16,000,000
2. Veejay Sales and Services Ltd.,	8.17	3,850,000
3. Sri. V.J. Jayaraman	12.08	5,692,000
4. Smt. J. Vidya	14.10	6,642,000
5. Sri. J. Anand	6.19	2,916,000



Notes on Accounts – Balance Sheet

PARTICULARS	(Amount in Rupees)	
	Figures at the end of the current reporting period 31.03.2014	Figures at the end of the previous reporting period 31.03.2013
2. RESERVES AND SURPLUS		
(a) Capital Reserve		
Balance at the beginning of the reporting period	10,082,354	10,082,354
Additions During the year	-	-
Balance at the end of the reporting period	10,082,354	10,082,354
(b) Surplus-Balance in Profit and Loss Account		
Balance at the beginning of the reporting period	-122,005,049	-117,477,563
Profit after taxes during the year	37,556,947	-4,527,486
Balance at the end of the reporting period	-84,448,102	-122,005,049
Total Reserves and Surplus	-74,365,748	-111,922,695
3. LONG TERM BORROWINGS		
Term Loans-Secured		
State Bank of India	48,875,637	69,389,545
Repayable in monthly installments. 2014-15 Rs.203.00 Lakhs, 2015-16 Rs.240.00 Lakhs and 2016-17 Rs.248.76 Lakhs. (Secured by a charge on the specific items of fixed assets acquired out of the Term Loans and a charge on other fixed assets on pari passu basis. The holding company and two Directors have guaranteed the above loans)		
Total Secured Loans	48,875,637	69,389,545
Unsecured-Loans and Advances from Related parties		
Loans from Directors		
Interest accrued but not due	-	152,504,609
No repayment date is fixed. Interest and Principal payable at the option of the Company/Directors.	-	28,402,914
Loan from Associate Company		
Interest accrued but not due	-	38,565,237
Loan from Holding Company		
Interest accrued but not due	-	7,254,120
The Directors, associate Company and holding company have agreed to take the repayment along with interest after repayment of other secured loans. However, the Company has option to repay the loan/interest earlier.		
Total Unsecured Loans	-	266,726,880
Total Long Term Borrowings	48,875,637	336,116,425

Secured/Unsecured borrowings-There is no default/delay in repayment of principal or interest and no amount is over due as at the end of the reporting period

There is no redeemed bonds/debentures for which the Company has power to issue



Notes on Accounts – Balance Sheet

(Amount in Rupees)

PARTICULARS	Figures at the end of the current reporting period 31.03.2014	Figures at the end of the previous reporting period 31.03.2013
4. LONG TERM PROVISIONS		
Provision for Employee benefits-Gratuity	2,656,512	2,498,491
5. SHORT TERM BORROWINGS		
i) Loans repayable on demand - Secured		
From Banks (Working capital facilities - Cash Credit, Export packing credit and Bills discounted)		
State Bank of India	123,463,320	114,211,325
Indian Overseas Bank	30,543,206	-
(Secured by the hypothecation of Stock-in-Trade, receivables and other current assets and by second charge fixed assets on pari passu basis. The holding company and two Directors have guaranteed the loans from State Bank of India)		
Total Short term Borrowings	154,006,526	114,211,325
There is no default in payment of principal or interest on the above accounts		
6. TRADE PAYABLES		
Liabilities for Supplies and Services		
Micro, Medium and Small Enterprises	16,091,786	9,181,983
Others*	1,981,502	15,823,535
Total Trade payables	18,073,288	25,005,518
7. OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debt (Secured)		
Indusind Bank	-	668,632
State Bank of India	20,300,000	16,400,000
Advance Received against sales	4,483,806	4,311,292
Liabilities for other Finance-Tax collections payable, Deductions from Salaries and Wages, etc.	1,696,972	808,807
Total Other Current Liabilities	26,480,778	22,188,730
8. SHORT TERM PROVISIONS		
Provision for Expenses	8,265,221	6,855,713
Total Short Term Provisions	8,265,221	6,855,713

Notes on Accounts – Balance Sheet

9. FIXED ASSETS

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Opening Balance 31.03.2013	Additions	Deletions	Total As On 31.03.2014	Opening Balance 31.03.2013	Additions	Deletions	Total As On 31.03.2014	Current Reporting Period 31.03.2014	Previous Reporting Period 31.03.2013
Land	89,924,447	-	-	89,924,447	-	-	-	-	89,924,447	89,924,447
Buildings	142,511,268	1,091,928	-	143,603,196	23,046,686	4,774,151	-	27,820,837	115,782,359	119,464,582
Machinery	346,066,082	12,237,298	58,545,506	299,757,874	174,960,862	23,748,433	48,662,389	150,046,906	149,710,968	171,105,220
Electrical Equipments	16,862,572	820,304	96,000	17,586,876	5,114,861	1,047,460	25,159	6,137,162	11,449,714	11,747,711
Vehicle	2,670,632	-	-	2,670,632	1,573,118	206,037	-	1,779,155	891,477	1,097,514
Furniture and Office Equipment	18,795,222	37,000	1,339,181	17,493,041	8,597,709	995,431	959,682	8,633,488	8,859,553	10,197,513
Total	616,830,224	14,186,529	59,980,687	571,036,066	213,293,236	30,771,512	49,647,200	194,417,548	376,618,518	403,536,988
Previous Year	609,717,121	9,018,206	(1,905,103)	616,830,224	165,685,857	48,691,892	1,084,513	213,293,236	403,536,988	444,031,264



Notes on Accounts – Balance Sheet

PARTICULARS	(Amount in Rupees)	
	Figures at the end of the current reporting period 31.03.2014	Figures at the end of the previous reporting period 31.03.2013
10. NON CURRENT INVESTMENTS		
(a) 13,100 Equity Shares Rs.10/- each in Veejay Sales & Services Ltd.	131,000	131,000
Aggregate value of unquoted investment Rs.1,31,000/-		
Total Non Current Investments	131,000	131,000
11. DEFERRED TAX ASSET		
Items considered for Deferred Tax Liability/Asset		
Depreciation	121,337,011	114,927,824
Deferred Tax Liability-A	41,242,500	38,179,000
Carried Forward Loss	224,088,036	220,852,640
Deferred Tax Asset-B	76,167,500	73,367,200
Deferred Tax Asset-Net (B-C)	34,925,000	35,188,200
12. LONG TERM LOANS AND ADVANCES		
(Unsecured considered good)		
Capital Advances	4,270,316	4,695,520
Security Deposits	2,904,289	5,984,942
Total Long Term Loans and Advances	7,174,605	10,680,462
All the above are unsecured but considered good and no allowance made for bad or doubtful debt		
13. INVENTORY		
Raw Materials	151,091,222	73,975,728
Waste & Scrap	85,054	216,872
Work-in-Progress	7,436,920	9,553,252
Finished goods	16,401,674	7,599,437
Stores	5,927,191	6,908,925
Total Inventory	180,942,061	98,254,214
14. TRADE RECEIVABLES		
a) Outstanding for a period above six months		
i. Unsecured considered good	6,182,815	6,230,256
ii. Doubtful	2,559,131	2,559,131
Allowance for Bad and doubtful debts for (ii) above	2,559,131	2,559,131
b) Others*		
Unsecured considered good	10,963,069	39,135,393
Total Trade receivables	17,145,884	45,365,648



Notes on Accounts – Balance Sheet

PARTICULARS	(Amount in Rupees)	
	Figures at the end of the current reporting period 31.03.2014	Figures at the end of the previous reporting period 31.03.2013
15. CASH AND CASH EQUIVALENTS		
Balance with Banks		
- in Current Accounts	104,585	1,630,831
- in Deposit Accounts-maturity above 12 months	1,209,718	1,144,363
- in Deposit Account with maturity less than 12 months	-	2,550,671
Cheques, drafts on hand	-	-
Cash on hand	589,314	339,488
Total Cash and Cash equivalents	1,903,617	5,665,353
16. SHORT TERM LOANS AND ADVANCES		
Unsecured - considered good		
i) Advance to Suppliers & Others	1,835,368	5,198,020
ii) Advance to employees	416,730	353,730
Total Short Term Loans and Advances	2,252,098	5,551,750
17. OTHER CURRENT ASSETS		
Advance payment of Taxes and TDS	520,802	340,443
MAT Credit entitlements	2,049,255	2,049,255
Cenvat/Vat credit, Duty draw back and other receivables	29,117,639	26,186,083
Prepaid Expenses	2,211,735	2,004,111
Total Other Current Assets	33,899,431	30,579,892
Notes on Accounts – Statement of Profit and Loss		
18. REVENUE FROM OPERATIONS		
a) Sale of Products	732,751,910	477,995,179
b) Sale of Services	14,150,072	14,476,044
c) Other operating revenues	15,806,294	11,915,095
Sub total	762,708,276	504,386,318
Less: Excise Duty	-	-
Revenue net of Excise duty	762,708,276	504,386,318
19. OTHER INCOME		
Interest receipts	390,250	508,797
Rent Receipts	291,667	-
Profit on Sale of Assets	9,056,612	332,121
Foreign Exchange Fluctuations - Others	-269,924	1,372,082
Miscellaneous Income	173,534	376,492
Total Other Income	9,642,139	2,589,493



Notes on Accounts – Statement of Profit and Loss

PARTICULARS	(Amount in Rupees)	
	Figures at the end of the current reporting period	Figures at the end of the previous reporting period
	31.03.2014	31.03.2013
20. COST OF MATERIALS CONSUMED		
Opening Stock		
Raw materials	73,975,728	39,870,191
Total Raw Materials	73,975,728	39,870,191
Purchases		
Raw materials	564,722,363	368,172,645
Total	564,722,363	368,172,645
Less: Closing Stock		
Raw materials	151,091,222	73,975,728
Total Closing Stock	151,091,222	73,975,728
Materials consumed	487,606,869	334,067,107
21. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN PROCESS AND STOCK IN TRADE		
Opening stock		
Work-in-Progress	9,553,252	4,562,968
Finished Goods	7,599,437	3,238,702
Waste & Scrap	216,872	221,124
	17,369,561	8,022,794
Closing stock		
Work-in Progress	7,436,920	9,553,252
Finished Goods	16,401,674	7,599,437
Waste & Scrap	85,054	216,872
	23,923,648	17,369,561
(Increase)/Decrease	-6,554,087	-9,346,767
22. EMPLOYEE BENEFITS		
Salary, Wages, Gratuity, etc.	43,410,687	37,869,925
Contribution to Provident Fund and etc.	2,954,458	2,319,389
Staff and Labour Welfare expenses	4,363,036	3,431,493
TOTAL EMPLOYEE COST	50,728,181	43,620,808
23. FINANCE COSTS		
Interest expense	18,817,400	37,480,826
Exchange Fluctuation on Foreign Exchange Borrowings	-	-363,532
Total Finance Cost	18,817,400	37,117,294



Notes on Accounts – Statement of Profit and Loss

PARTICULARS	(Amount in Rupees)	
	Figures at the end of the current reporting period	Figures at the end of the previous reporting period
	31.03.2014	31.03.2013
24. OTHER EXPENSES		
Stores consumed	16,297,380	12,673,336
Conversion Charges	4,179,141	2,518,424
Power and Fuel	69,479,380	54,909,072
Freight	10,346,133	8,552,460
Printing and Stationery	265,235	187,189
Postage and Telephone	331,895	374,069
Travelling and Vehicle Maintenance	2,646,619	3,388,173
Insurance	696,807	734,447
Licence and Taxes	3,596,517	1,945,335
Sales commission	5,425,829	4,143,182
Sales expenses	-	75,067
Subscription and periodicals	142,215	68,768
Directors' sitting fees	99,000	30,000
Auditors' Remuneration	119,102	68,540
Legal and Professional charges	586,776	307,211
Repairs and Maintenance-Buildings	739,615	632,335
Repairs and Maintenance-Machinery	7,774,888	4,393,140
Repairs and Maintenance-Others	484,507	271,941
Miscellaneous expenses	653	8,854
Bad Debts Written off	-	4,372,209
Provision for Doubtful Debts	-	392,369
Donation Paid	13,000	10,000
Total Other Expenses	123,224,692	100,056,120
25. EXCEPTIONAL ITEMS		
Provision for Interest in prior years reversed	-35,657,034	-

As per our report attached,
For GURUBATHAM & ASSOCIATES
Chartered Accountants, Firm Regn No: 010982S

(Sd/-) V.J. JAYARAMAN (Sd/-) J. ANAND
Chairman Managing Director

Coimbatore (Sd/-) R. GURUBATHAM, B.Com., F.C.A.,
26.05.2014 Partner, Membership No. 200/21556

(Sd/-) V.K. SWAMINATHAN
Company Secretary



DISCLOSURE FORMING PART OF ACCOUNTS FOR THE YEAR ENDING 31.03.2014

2. SIGNIFICANT ACCOUNTING POLICIES

- a. **System of Accounting:** The Financial Statements are prepared under historical cost convention and on accrual basis in accordance with the applicable accounting standards.
- b. **Use of Estimates:** The preparation of the financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known / materialized.
- c. **Recognition of Income and Expenditure:** Revenue from sale transaction is recognized as and when the property in the goods is sold / transferred to the buyer for a definite consideration. Revenue from service transactions and other source is recognized on the completion of the contract. Export incentives are recognized when the right to receive payments / credit is established and there is no uncertainty regarding the amount of consideration or its collectability.
- d. **Fixed Assets / Borrowing Costs:** Fixed Assets are capitalized at cost inclusive of erection expenses and other incidental expenses in connection with the acquisition of the assets and net of Cenvat Credit / TED and VAT, if any, to the extent it could be adjusted against the Excise Duty / VAT liability of the Company. The borrowing cost on the additions to fixed assets is capitalized in accordance with AS 16.
- e. **Depreciation:** Depreciation has been provided on straight-line Method in respect of all the assets in accordance with Schedule XIV of the Companies Act, 1956. Depreciation on additions during the year has been provided on pro-rata for the period for which the assets have been put to use. Wind Turbines have been classified as continuous process plants and depreciated accordingly as has been done in the past. For assets of value less than Rs. 5,000/- acquired during the year, 100% depreciation has been provided.
- f. **Taxation:** Provision for taxation is being made as per essential total income after considering various reliefs under the provisions of the Income Tax Act, 1961. The book profit tax paid in accordance with Section 115JB, which is in excess of the normal tax due and which can be adjusted against tax liability for future periods, is treated as MAT Credit entitlement. In accordance with AS 22, the deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been enacted as of the balance sheet date.

g. Inventory Valuation:

Sl.No	Particulars	Basis
1	Raw Material	At identified lot costs or market value, whichever is lower
2	Finished Goods	At cost or net realizable value, whichever is lower
3	Work-in-progress	At estimated cost or net realizable value, whichever is lower
4	Waste	At realizable value
5	Stock of Stores	At cost



DISCLOSURE FORMING PART OF ACCOUNTS FOR THE YEAR ENDING 31.03.2014 (Contd.)

- h. **Employee Benefits:** The provision has been made as required under AS 15. Bonus has been provided as per practice followed in earlier years. Provision for Gratuity, Leave encashment and accumulated compensated absences have been made based on the actuarial valuation.
- i. **Foreign Exchange Transactions:** The transactions in respect of import of materials and export sales have been accounted for at the rates of exchange prevailing on the date of the transactions. However, in respect of transactions remaining unpaid / unrealized, exchange rates prevailing at the end of the year have been adopted. Difference arising out of fluctuation in the exchange for the above transaction has been taken to a separate account, which is debited / credited to the Profit and Loss Account.
- Wherever Forward Contracts have been entered, the premium or discount has been recognized over the period of the contract and the exchange differences on these contracts have been adjusted during the period in which the differences have taken place. All forward contracts have been entered only for import or export transactions of the Company and no contract has been entered for speculative purposes. The company has no foreign operations.
- j. **Impairment of Assets:** The carrying amount of the fixed assets is reviewed for provision for impairment as required under AS 28. In the opinion of the Company, the recoverable amount of other fixed assets of the company will not be lower than the book value of the fixed assets. Hence no provision has been made for impairment.
- k. **Provisions, contingent liabilities and contingent assets:** Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes to financial statements. Contingent assets are neither recognized nor disclosed in the financial statements. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
- l. **Earning Per Share:** Basic Earning per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.
- m. **Cash flow Statement:** Cash flows are reported using the indirect method. Closing balances of cash includes cash and cash equivalents in hand and balances in bank in current accounts.
- n. **Segment Reporting:** Business segments are identified based on the nature of products and services. For reporting the business has been split into two segments – one representing Textile activities manufacturing textile products and the other representing the generation of power by wind energy.

Power generated from windmills is wheeled through Electricity Board and adjusted against the consumption of power by the company. The entire value of power generated is treated as sale to Electricity Board and included in the sales turnover. The adjustment of self consumption is not considered for Inter Segment Revenue/Adjustments, as has been done in the past.



**DISCLOSURE FORMING PART OF ACCOUNTS
FOR THE YEAR ENDING 31.03.2014 (Contd.)**

3. CONSUMPTION OF MATERIALS

	As at 31 st March 2014	As at 31 st March 2013
	Value in Rs.	Value in Rs.
Cotton	487,606,869	334,067,107
Yarn, Fabric and Accessories for Garments	65,592,735	-
Total	553,199,604	334,067,107

4. EXPENDITURE IN FOREIGN CURRENCY

	As at 31 st March 2014	As at 31 st March 2013
	Value in Rs.	Value in Rs.
A. Value of Imports CIF		
i. Raw Materials & Accessories	47,287,466	42,827,146
ii. Capital Goods & Machinery Spares	336,254	Nil
Total	47,623,720	42,827,146

B. Consumption	Value in Rs.	% of Total Consump- tion	Value in Rs.	% of Total Consump- tion
i. Raw Materials-Imported	55,614,764	11.41	44,76,102	1.34
ii. Raw Materials-Indigenous	431,992,105	88.59	323,591,005	98.66
Total	487,606,869	100.00	334,067,107	100.00

C. Earnings in Foreign Exchange			
Export of Garments, Yarn & Fabrics	457,433,574		375,184,094

5. AUDITORS REMUNERATION

	Rs.	Rs.
Audit Fees	30,000	30,000
Other fees-Taxation matters, etc.,	89,102	38,540
Total	119,102	68,540



**DISCLOSURE FORMING PART OF ACCOUNTS
FOR THE YEAR ENDING 31.03.2014 (Contd.)**

6. RELATED PARTY DISCLOSURES

(Rs.in Lakhs)

	Associate Companies/Firms	Holding Company	Key Managerial Personnel
Purchase of Goods and Services, Raw materials & Spares	1402.86 (634.13)	43.74 (4.29)	- -
Sale of Goods and Services	751.87 (2.43)	5.38 (3.43)	- -
Finance including Loans, Advances and Share Capital Contribution in Cash or in kind as on 31.03.14	- -	4710.00 (2400.00)	- -
Outstandings due from the Company as on 31.03.14	- -	- -	- -
Outstandings due to the Company as on 31.03.14	29.52 (8.65)	- -	- -
Unsecured Loans	0.00 (458.19)	0.00 (400.00)	0.00 (1809.08)
Interest on Loans	0.00 (37.83)	- -	0.00 (149.37)

Previous year's figures given in bracket

There are no doubtful debts from the above parties on the balance sheet date and no amount has been written off or written back from the above parties during the year.

Names of Associate Companies and Firms (Companies and firms in which the Directors are associated as Directors / Partners / Proprietors)

A. Companies / Firms with which the company had transactions during the year:

1. M/s. Veejay Lakshmi Engineering Works Ltd.,
2. M/s. Veejay Marketing
3. M/s. Veejay Sales and Services Ltd.,

Approvals has been taken / applied from the Central Government for the transactions with the above parties wherever necessary and no contract is detrimental to the interests of the company.

B. Companies / Firms with which the company had no transactions during the year:

1. M/s. Veejay Terry Products Ltd.,
2. M/s. Veejay Syntex (P) Ltd.,
3. M/s. Veejay Tool & Die (P) Ltd.,
4. M/s. Veejay Yarns & Fabrics (P) Ltd.,
5. M/s. Lakshmi Electrical Control Systems Ltd.,
6. M/s. The Krishna Mills (P) Ltd.,
7. M/s. The Suguna Mills (P) Ltd.,
8. M/s. Prathishtha Weaving & Knitting Co. Ltd.,


**DISCLOSURE FORMING PART OF ACCOUNTS
FOR THE YEAR ENDING 31.03.2014 (Contd.)**
C. Name of the Holding Company:

M/s. Veejay Lakshmi Engineering Works Ltd.,

D. Name of the Key Managerial Personnel:

- 1) Sri V.J. Jayaraman, Chairman
- 2) Sri J. Anand, Managing Director

E. Relatives of the Key Managerial Personnel:

- 1). Smt. J. Vidya, W/o Sri V.J. Jayaraman
- 2). Smt. Artni Anand, W/o Sri J. Anand

7. EARNINGS PER SHARE: (Face value Rs.10/- per share)

PARTICULARS	As at 31 st March 2014	As at 31 st March 2013
	Rs.	Rs.
a) Profit / (Loss) for the year as per Profit & Loss Account	37,820,147	(47,230,644)
b) Less: Taxes paid	-	-
c) Less: MAT credit entitlement written off	-	2,452,642
c) Less: Deferred Tax	(263,200)	45,155,800
e) Other Expenses	-	-
f) Provision for Gratuity for earlier years	-	-
g) Profit after Taxes & Deferred Tax	37,556,947	(4,527,486)
f) Number of equity shares	12,000,000	12,000,000
EPS / DILUTED EPS	3.13	(0.38)

8. The Deferred Tax Liability and Deferred Tax Assets as at 31-03-2014 Computed as per AS 22 is given as under:

	As at 31 st March 2013		As at 31 st March 2012	
	Rs.		Rs.	
Deferred Tax Liability	41,242,500		38,179,000	
Deferred Tax Assets	76,167,500		73,367,200	
Net Deferred Tax Liability / Assets	-34,925,000		(35,188,200)	
Details for Deferred Tax Liabilities / Assets				
Nature of Item	As at 31 st March 2014		As at 31 st March 2013	
	Value in Rs.	Tax Amount in Rs	Value in Rs.	Tax Amount in Rs
On account of Depreciation - Liability	121,337,000	41,242,500	114,927,800	38,179,000
On account of Carry over loss - Asset	224,088,000	76,167,500	220,852,600	73,367,200


**DISCLOSURE FORMING PART OF ACCOUNTS
FOR THE YEAR ENDING 31.03.2014 (Contd.)**
9. Contingent Liabilities and Claims against the company not acknowledged as debts:

- a. Claims from workmen not acknowledged as debts Rs. 28.18 Lakhs (Previous year - Rs.28.88 lakhs)
- b. Guarantees given on behalf of Directors or other officers of the Company - Nil (Previous year - Nil)
- c. LCs / Guarantees executed by Banks Rs.Nil (Previous year Rs. 1.00 Lakh)
- d. Guarantee issued on behalf of an associate Company in which Directors are interested. Rs. 50.00 lakhs (Previous Year - Rs. 50.00 Lakhs)
- e. The company has imported cotton against advance licenses with an obligation for exports. The interest liability proportionate on payment of duty for non fulfillment of export obligation pending as at 31-03-2014, is Rs.Nil (Previous Year Rs. 11.53 Lakhs).
- f. The Company imported Capital goods under EPCG Licenses free of duty with an obligation for export.
The duty liability proportionate to export obligation pending as at 31.03.2014 is Rs.15.00 Lakhs. (Previous Year - Nil)
- g. Estimated amount of capital contracts remaining to be executed: Rs.24.78 Lakhs (Previous Year Rs. 24.30 lakhs)
- h. Arbitration awards were made in favour of two foreign cotton suppliers for a value of 49.17 lakhs. This has been challenged by the company in the court of law.

10. Gain or loss on account of exchange differences is given below:

- a. The amount of exchange difference included in the Net Profit or Loss for the period- Rs.2.69 Lakhs (Loss) (Previous Year - Rs. 17.36 Lakhs (Profit)).
- b. The Company does not have any foreign operations and no other exchange variation to be disclosed as in the Accounting - Standard 11.

The Company has entered into the following forward contracts that are outstanding as at 31st March 2013 to hedge the foreign currency risks of firms commitments:

Particulars	As at 31 st March 2014	As at 31 st March 2013
Nature of contracts	Forward Cover	Forward Cover
Number of contracts	-	14
Foreign Currency Amount in USD	-	1,700,000
in GBP	-	-

11. The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of the information available with the Company. There are no overdues to parties on account of principal amount or interest and accordingly no additional disclosures have been made.



**DISCLOSURE FORMING PART OF ACCOUNTS
FOR THE YEAR ENDING 31.03.2014 (Contd.)**

12. Segment Report for the year ended 31st March 2014:

Rs. in Lakhs

Revenue	As at 31 st March 2014			As at 31 st March 2013		
	Textile Division	Windmill Division	Total	Textile Division	Windmill Division	Total
External Sales	7,485.58	141.50	7,627.08	4,899.10	144.76	5,043.86
Inter Segment Transfers	-	-	-	-	-	-
Total Revenue	7,485.58	141.50	7,627.08	4,899.10	144.76	5,043.86
Result	-	-	-	-	-	-
Segment Result	128.08	77.82	205.90	-936.20	87.63	-848.57
Un allocated Corporate Expenses	-	-	(356.57)	-	-	-
Operating Profit	-	-	562.47	-	-	-848.57
Less: Interest Expense	-	-	188.17	-	-	371.17
Interest Income	-	-	-3.90	-	-	5.09
Income Taxes	-	-	2.63	-	-	-
Unallocable Income	-	-	-	-	-	-
Profit from Ordinary Activities	-	-	375.57	-	-	-472.31
Extra Ordinary Items	-	-	-	-	-	-
Net Profit	-	-	375.57	-	-	-472.31
Other Information	-	-	-	-	-	-
Segment Assets	5,339.47	147.78	6,487.25	5,738	524.94	6,262.61
Un allocated Corporate Assets	61.37	-	61.37	-	-	85.62
Total Assets	6,400.84	147.78	6,548.62	-	-	6,348.23
Segment Liabilities	2,066.95	-	2,066.95	1,595.69	-	1,595.69
Un allocated Corporate Liabilities	-	-	4,481.66	-	-	4,752.55
Total Liabilities	-	-	6,548.61	-	-	6,348.23
Capital Expenditure	141.87	-	141.87	90.18	-	90.18
Depreciation	258.57	49.14	307.72	437.78	49.14	486.92
Non Cash Expenditure other than depreciation	-	-	-	-	-	-

13. The Company has no sole selling agents. The entire sales commission has been paid to other agents.

14. Salary includes provision for Gratuity Rs.1.96 Lakhs (Previous year Rs. 4.95 lakhs)



**DISCLOSURE FORMING PART OF ACCOUNTS
FOR THE YEAR ENDING 31.03.2014 (Contd.)**

15. The details of employee benefits for the period on account of gratuity, which is funded defined employee benefit plans are as under:

	Gratuity (Funded) 31.03.14	Gratuity (Funded) 31.03.13
A. Expense recognised during year ended 31.03.2014		
1. Current Service cost	166,987	171,561
2. Interest Cost	215,419	161,408
3. Expected return on plan assets	-	-
4. Actuarial Losses / Gains during the year	-220,722	956,317
5. Total Expenses	161,684	1,289,286
B. Actual return on plan assets		
1. Expected return on plan assets	-	-
2. Actuarial (Loss) / gain on plan assets	-	-
3. Actual return on plan assets	-	-
C. Net Asset / (Liability) recognised in the Balance Sheet		
1. Present value of the obligation as on 31.03.2014	2,656,512	2,498,491
2. Fair value of plan assets as on 31.03.2014	-	-
3. Funded status (surplus/deficit)	-2,656,512	-2,498,491
4. Unrecognised past service cost	-	-
5. Net Asset/(Liability) recognised in the Balance Sheet	-2,656,512	-2,498,491
D. Change in Present value of the Obligation during the year ended March 31, 2014		
1. Present value of the obligation as at April 1, 2013	2,498,491	-
2. Current service cost	166,987	171,561
3. Interest cost	215,419	161,408
4. Benefits paid	-264,465	-813,651
5. Actuarial (gain) loss on obligation	40,080	2,979,173
6. Present value of obligation as at March 31, 2014	2,656,512	2,498,491
E. Change in Assets during the year ended March 31, 2014		
1. Fair value of plan assets as at April, 2013	-	-
2. Expected return of plan assets	-	-
3. Contributions made	264,465	813,651
4. Benefits paid	-264,465	-813,651
5. Actuarial Gain / (Loss) on plan assets	-	-
6. Fair value of plan assets as at March 31, 2014	-	-

DISCLOSURE FORMING PART OF ACCOUNTS
FOR THE YEAR ENDING 31.03.2014 (Contd.)

	Gratuity (Funded) 31.03.14	Gratuity (Funded) 31.03.13
F. Major categories of plan assets as a percentage of total plan		
Qualifying insurance policies	-	-
Own plan assets		
Total	-	-
G. Actuarial assumptions		
1. Discount rate	9.10%	8.20%
2. Salary escalation	5.00%	5.00%
3. Expected rate of return on plan assets	0.00%	0.00%
4. Attrition rate	2.00%	2.00%
	assumption	assumption
5. Mortality rate	LIC 96-98 Rates	LIC 96-98 Rates

16. Sundry Debtors and Loans & Advances as at 31st March 2014 does not include any amount due from Companies, Firms in which directors are interested. (Previous Year Nil)
17. Debts due from Companies under the same management is Rs. Nil (Previous Year Rs. Nil).
18. Debts due by Directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private Companies respectively in which any Director is a Partner or a Director or a Member is Rs. Nil (Previous Year Nil).
19. There was no amount due by Directors or other officers of the Company at any time during the year (Previous year Nil).
20. Figures have been rounded off to the nearest rupee and previous year figures have been regrouped/ rearranged wherever necessary.

As per our report attached.
For GURUBATHAM & ASSOCIATES
Chartered Accountants, Firm Regn No: 010982S

Coimbatore (Sd/-) R. GURUBATHAM, B.Com., F.C.A.,
26.05.2014 Partner, Membership No. 200/21556

(Sd/-) V.J. JAYARAMAN (Sd/-) J. ANAND
Chairman Managing Director

(Sd/-) V.K. SWAMINATHAN
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2014

	Year ended 31 st March, 2014	Year ended 31 st March, 2013
	Rs. in lakhs	
A. Cash Flow from Operating Activities		
Net Profit Before Tax and extra ordinary item	378.20	-472.31
Adjustments for :		
Depreciation	307.72	486.92
Interest paid	188.17	371.17
Profit on sale of Investments/Assets	-90.57	-3.32
Interest/Dividend Income	-3.90	-5.09
Miscellaneous Income/Exchange Gain	-7.35	-21.12
Operating Profit before working capital changes	772.27	356.26
Decrease in Trade and Other Receivables	317.06	132.98
Increase/(Decrease) in Payables	-43.04	85.51
Decrease/(Increase) in Inventories	-826.88	-438.68
Cash generated from operations	219.41	136.06
Direct Taxes paid (MAT Credit entitlement written off)	-	-24.53
Net Cash from Operating Activities	219.41	111.54
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	-141.87	-90.18
Investment in Shares	-	-
Sale of Fixed Assets	193.90	11.52
Interest Received / Exchange Gain	11.25	26.21
Net cash used for Investing Activities	63.29	-52.46
C. Cash flow from Financing Activities		
Repayment of Long Term borrowings	-2442.13	136.31
Interest Paid	-188.17	-371.17
Proceeds from issuance of Share Capital	2310.00	-
Net cash from financing activities	-320.30	-234.87
Net Increase in cash and cash equivalents	-37.61	-175.78
Cash and Cash equivalents as at 31.3.2013	56.65	232.43
Cash and Cash equivalents as at 31.3.2014	19.04	56.65

As per our report attached.
For GURUBATHAM & ASSOCIATES
Chartered Accountants, Firm Regn No: 010982S

Coimbatore (Sd/-) R. GURUBATHAM, B.Com., F.C.A.,
26.05.2014 Partner, Membership No. 200/21556

(Sd/-) V.J. JAYARAMAN (Sd/-) J. ANAND
Chairman Managing Director

(Sd/-) V.K. SWAMINATHAN
Company Secretary

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