



VEEJAY LAKSHMI ENGINEERING WORKS LIMITED

FORTIETH ANNUAL REPORT 2014-2015

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BOARD OF DIRECTORS

- Sri V.J. JAYARAMAN**
Chairman cum Managing Director
- Sri N. M. ANANTHAPADMANABHAN**
- Sri N. ATHIMOOLAM NAIDU**
- Sri J. ANAND**
Managing Director
- Sri B. SRIRAM**
- Sri D. RANGANATHAN**
Whole Time Director
- Smt ARTHI ANAND**
- Sri RAJIV A. NAIDU**
(Alternate to Sri N. Athimoolam Naidu)

COMPANY SECRETARY

Sri V.K. SWAMINATHAN

REGISTERED OFFICE

Sengalipalayam
N.G.G.O. Colony Post
Coimbatore 641 022
CIN: L29191TZ1974PLC000705

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. Units - II & III

Kariyampalayam, Annur
Coimbatore 641 653

Engg. Unit IV

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

Textiles Division

Thekkampatti
Mettupalayam Taluk
Coimbatore 641 113

WIND MILLS

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



NOTICE TO SHAREHOLDERS

Notice is hereby given that the Fortieth Annual General Meeting of the share holders of Veejay Lakshmi Engineering Works Limited will be held on Wednesday, the 30th day of September 2015 at 10.00 A.M at Nani Kalai Arangam, Mani Higher Secondary School, Coimbatore - 641 037 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt Annual Financial Statements including Statement of Profit and Loss, Cash Flow Statement for the year ended 31st March 2015, the Balance Sheet as on that date, the Report of Board of Directors and the Auditors' Report thereon.
2. To appoint a Director in the place of Sri D. Ranganathan (DIN 00137566), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors for the financial year 2015-16 and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification the following resolution:
'RESOLVED THAT Smt Arthi Anand (DIN 07151584) be and is hereby appointed as a Director of the Company for which a notice has been received from a shareholder signifying his intention to propose her candidature.'
5. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:
'RESOLVED THAT in accordance with the provisions of Sections 196,197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including statutory modification or amendment or re-enactment thereof and subject to such other approvals as may be necessary, consent of shareholders be and is hereby accorded for the reappointment of Sri V.J. Jayaraman as Chairman and Managing Director of the Company for a period of three years from 25/08/2015 to 24/08/2018 on the following terms and conditions:

REMUNERATION:

- i) Salary : Rs. 4,00,000/- per month
- ii) Commission:
Such remuneration by way of commission in addition to salary and perquisites and allowance payable, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors of the Company at the end of each financial year, subject to overall ceilings stipulated in sections 197 of the Companies Act, 2013. The commission amount shall however in no case exceed the annual salary amount and will be payable annually after annual accounts have been approved by the Board of Directors and adopted by the shareholders.
- iii) Perquisites:
In addition to the salary the Chairman and Managing Director shall also be entitled to interchangeable perquisites, like furnished accommodation and where accommodation is not provided HRA, gas, electricity, water, furnishings, medical reimbursement, LTA for self and family, club fees,



medical insurance, etc., in accordance with the rules of the Company, such perquisites being restricted to the amount equal to the salary drawn per annum.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules wherever applicable.

The Chairman and Managing Director shall be entitled to reimbursement of all actual expenses incurred in the course of the Company's business. In addition to the Salary and Perquisites, the Chairman and Managing Director shall also be entitled to Company's contribution to Provident Fund as per rules of the Company to the extent it is not taxable under the Income Tax Act, 1961 and shall not be included in the computation of the ceiling on remuneration or perquisites. Gratuity payable shall not exceed half months salary for each completed year of service.

The Chairman and Managing Director is entitled to encashment of leave at the end of tenure which shall not be included in the computation of the ceiling on remuneration or perquisites. Provision of a Company car with driver for use of Company's business and telephone facility at his residence will not be considered as perquisites.

Personal long distance calls on telephone and use of the car for private purposes shall be billed by the Company to Chairman and Managing Director.

"RESOLVED FURTHER THAT the minimum remuneration and perquisites to be paid in the event of loss or inadequacy of profit in any financial year during the tenure of office shall be as per Schedule V of the Companies Act, 2013."

For and on behalf of the Board

Coimbatore
August 10, 2015

(Sd/-) V.J. Jayaraman
Chairman and Managing Director

NOTE:

1. The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, DULY COMPLETED, MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM FOR THE AGM IS ENCLOSED.
3. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
4. Members / proxies should bring the duly filled attendance slip enclosed herewith to attend the meeting.
5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.



6. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
7. The Register of Members and share transfer books of the Company will remain closed from Thursday, the 24th September 2015 to Wednesday, the 30th September 2015 (both days inclusive) as per clause-16 of the Listing Agreement.
8. Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updates of bank account details to their respective Depository participant(s).
9. Members are requested to address all correspondences, including change of address and dividend matters, to the Registrar and Share Transfer Agents of the Company, M/s S.K.D.C Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006.
10. Members who wish to claim dividends, which remain unclaimed, are requested to correspond with Company Secretary / Share Transfer Agents of the Company. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013 be transferred to the Investor Education and Protection Fund.
11. Brief resume, details of shareholding and Directors inter-se relationship of Directors seeking election/re-election as required under Clause 49 of the Listing Agreement entered into with stock exchanges, are provided as Annexure to this notice.
12. As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register their e-mail address with the Company in respect of shares held in physical form and with the concerned Depository Participant in respect of shares held in electronic form to enable the Company to serve documents in electronic form.
13. A member who needs any clarification on accounts or operations of the Company shall write to the Compliance Officer, so as to reach him at least 7 days before the meeting, so that the information required can be provided.
14. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
15. Electronic copy of the Annual Report and AGM Notice are being sent to all the members whose E-mail id is registered with the Company / Depository Participants unless any member has requested for a hard copy of the same. For members who have not registered their E-mail ID, physical copies of Annual Report and AGM Notice for the year 2014-15 are sent through the permitted mode separately.
16. The notice of the Annual General Meeting and this communication are also available on the website of the Company: www.veejaylakshmi.com

VOTING THROUGH ELECTRONIC MEANS

In compliance with the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing agreement, the Company is pleased to provide members facility to exercise their votes for all the resolutions detailed in the Notice of the 40th Annual General Meeting scheduled to be held on Wednesday, the 30th September 2015 at 10.00 A.M by electronic means and the business may be transacted through remote e-voting. The Company has engaged the services of CDSL as the authorized agency to provide the remote e-voting facilities as per instructions below.

The Members, who have not voted through remote e-voting and present at the AGM in person or proxy, can vote through the ballot at the AGM. Kindly note that members can opt for only one mode of voting i.e., either by / through remote e-voting or by ballot at the AGM .



In case of Members casting their vote by remote e-voting, then voting done through remote e-voting shall prevail. A member present at the AGM and voted by remote e-voting will not be permitted to vote at the AGM by Ballot.

Votes cast by members who hold shares on the cut off date 23/09/2015 alone will be counted.

The Board has appointed Sri. B. Krishnamoorthi, "Kanapathy Towers," III Floor, No. 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006 as Scrutinizer for conducting the e-voting process and ballot at AGM.

The instructions for shareholders voting electronically are as under:

- i. The remote e-voting period begins at 09.00 AM on 27.09.2015 and ends on 29.09.2015 at 05.00 PM. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23/09/2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The shareholders should log on to the e-voting website: www.evotingindia.com
- iii. Click on Shareholders.
- iv. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DPID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).



- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in electronic form will now reach <Password Creation> menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for the Company Name, Choose 'Veejay Lakshmi Engineering Works Limited' to vote.
- xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution Details.
- xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT." A confirmation box will be displayed. If you wish to confirm your vote, click on "OK," else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xviii. Note for Non - Individual Shareholders and Custodians

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com

After receiving the login details a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on.

The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- xix. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****Item No. 4**

Pursuant to the provisions of Section 160 of the Provisions of the Companies Act, 2013 read with listing agreement entered into with Stock Exchange and Companies (appointment and qualification of directors) Rules, 2014 and as recommended by the Nomination and Remuneration Committee of the Board of Directors, Smt. Arthi Anand was appointed as Additional Director under Sec.161 of the Companies Act, 2013. The director holds office up to the ensuing General Meeting of the Company. A notice has been received by the Company from a shareholder signifying his intention to propose her candidature for appointment as a director along with necessary deposit.

A brief profile of Smt Arthi Anand is annexed to this notice.

Accordingly the resolution is submitted for your approval.

Interest of Directors

None of the Directors other than Sri V.J. Jayaraman, Chairman and Managing Director and Sri J. Anand, Managing Director are interested in the resolution.

Item No. 5

Sri V.J. Jayaraman, Chairman and Managing Director was reappointed for a period of 3 years from 25/08/2012 to 24/08/2015 in conformity with Schedule XIII of the Companies Act, 1956. The Nomination and Remuneration Committee at its Meeting held on August 10, 2015 had fixed the remuneration as set out in the resolution and recommended his reappointment. His reappointment for another term of three years from --25/08/2015 to 24/08/2015 - as Chairman and Managing Director and the remuneration payable as per Schedule V of the Companies Act, 2013 has been approved by the Board of Directors at the meeting held on 10-08-2015.

Sri V.J. Jayaraman is a promoter Director of the Company and has been associated with the Company since its inception. He holds degrees in Textile Engineering and Engineering Administration from reputed universities in USA. He has more than 45 years of experience in management and administration of corporates. His continued guidance with his versatile knowledge and experience is essential for the Company.

As such the Board of Directors recommend the resolution for approval by the members.

Interest of Directors

None of the Directors other than Sri V.J. Jayaraman himself, Sri J. Anand and Smt Arthi Anand are interested in the resolution.

**STATEMENT OF DISCLOSURES PURSUANT TO SCHEDULE V TO THE COMPANIES ACT, 2013 IN RELATION TO ITEM No. 5 OF THE NOTICE**

I	(1)	Nature of Industry	Engineering and Textiles
	(2)	Date or expected date of commencement of commercial production	Year : 1974
	(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Existing Company since 1974.
	(4)	Financial Performance based on given indicators	Furnished below.
	(5)	Foreign investment or collaboration, if any	No foreign collaboration
II	Information about the appointee		
	(1)	Background details	Name : Sri V.J. Jayaraman Date of Birth / Age : 12/03/1942 – 73 years Qualification : B.Sc, B.S. in Textile Engg(USA) and P.G Course in Engg. Admin.(USA) Experience : More than 45 years of experience in management/ administration of textile machinery manufacturing companies as Director / Managing Director. Accomplished a number of successful collaborations.
	(2)	Past remuneration	Furnished below.
	(3)	Recognition or awards	Has been a member / chairman of various associations / councils like Textile Machinery Manufacturers Association, Development Council for Textile Machinery, Confederation of Indian Industry etc.
	(4)	Job profile and his suitability	Sri V.J. Jayaraman is one of the founder / promoter Directors of the Company and has been involved in the management since the inception of the company. He has a rich experience of around 45 years in the line of business of the company.
	(5)	Remuneration proposed	As given in the resolution.



	(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.	The proposed remuneration is as prevalent according to industry standards.
	(7)	Pecuniary relationship directly or indirectly with the company or relationship with managerial personnel, if any.	A company in which he is a Director and a firm in which he is a partner have business transactions with the company. Related to Managing Director
III	Other Information:		
	(1)	Reasons for loss or inadequate profits	The inadequacy of profit is mainly due to fall in demand due to recession and the general recession worldwide.
	(2)	Steps taken or proposed to be taken for improvement	Measures have been taken for cost reduction and technology improvement which will help the products to remain competitive in the market.
	(3)	Expected increase in productivity and profits in measurable terms	The inadequacy of profit is mainly due to fall in demand/ sales due to general recession in the textile industry. When the markets revive the productivity / production will increase accordingly.
IV	Disclosures: Under the heading Corporate Governance		
	(i)	All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc of all the directors;	Provided in Annexure -4 (Form MGT-9) to Report of the Board of Directors.
	(ii)	Details of fixed component and performance linked incentives along with the performance criteria;	No performance linked incentive.
	(iii)	Service contract, notice period, severance fees;	No severance fees. Appointment of managerial personnel for a term of three years.
	(iv)	Stock option details, if any, and whether the same has been issued as a discount as well as the period over which accrued and over which exercisable;	Nil

Past Remuneration: (Value Rs.)

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
Salary	Nil	Nil	Nil	Nil	Nil
Perquisites	44,461	34,307	32,094	41,013	37,081
Commission	Nil	Nil	Nil	Nil	Nil

**Financial Performance (consolidated) based on given indicators:**

Values : Rs. Lakhs

Financial Performance / Year	2010-11	2011-12	2012-13	2013-14	2014-15
Turnover – Total Income	15511	10884	11642	14834	11032
Profit / Loss as per P&L before tax	870	(741)	(890)	427	(19)
Profit / Loss as per P&L after tax	743	(800)	(890)	427	(19)
Dividend paid	76	-	-	-	-
Rate of dividend (in %)	15.0	-	-	-	-
Dividend paid including dividend tax	88	-	-	-	-

By order of the Board

Coimbatore
August 10, 2015**(Sd/-) V.J. Jayaraman**
Chairman and Managing Director



ANNEXURE TO NOTICE OF AGM

Profile of Directors Seeking Reappointment / Election
(Pursuant to Clause-49 of the Listing Agreement)

1. Sri D. Ranganathan

PROFILE:

Sri D. Ranganathan is a Commerce Graduate and Post Graduate in Business Administration. He has long experience in the Company as a Senior Executive and Director. He is at present a Whole time Director in the Company responsible for Marketing and Finance.

OTHER DIRECTORSHIPS:

Veejay Sales and Services Limited

MEMBERSHIP OF COMMITTEES IN THE COMPANY:

Nomination and remuneration Committee

Audit Committee

Risk Management Committee

SHAREHOLDING AND RELATIONSHIP:

Sri D. Ranganathan holds 300 equity shares of Rs.10/- each in the Company.

None of the Directors is related to Sri D. Ranganathan.

2. Smt Arthi Anand

PROFILE:

Smt Arthi Anand was born on May 11, 1977 at Coimbatore. She is a Commerce Graduate and Post Graduate - M.A (UK) in International Business. She had been a Senior Executive in the Company from the year 2001 to 2014.

OTHER DIRECTORSHIPS: Nil

SHAREHOLDING IN THE COMPANY AND RELATIONSHIP:

She does not have any shareholding in the Company.

She is related to the Managing Directors.

ANNOUNCEMENT OF RESULT OF VOTING:

The results of remote e-voting and voting by Ballot at the Annual General Meeting will be announced at the Registered Office of the Company, by the Chairman and Managing Director of the Company or by a Director authorised by him within 3 days of the conclusion of the Meeting. A copy of the same will be posted in the Company's website: www.veejaylakshmi.com and a copy thereof will be forwarded to stock exchange where the shares of the Company are listed.

**DIRECTORS' REPORT TO SHAREHOLDERS**

Dear Shareholders,

Your Directors present the Fortieth Annual Report and the Company's audited financial statements for the financial year ended 31st March 2015.

FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2015 is summarized below:

(₹ in Lakhs)

Particulars	Year Ended 31.03.2015	Year Ended 31.03.2014
Sales Turnover	10,945.22	7,021.52
Profit before Depreciation, taxes and exceptional items	-524.76	501.89
Depreciation	-992.42	452.86
Exceptional Items/ expenses profit(loss) before taxes	1,497.77	-
Net Profit	-19.41	49.03
Balance brought forward from Profit and Loss account	972.16	893.23
Amount available for appropriation	952.75	942.26
Balance in the Profit & Loss A/c of the subsidiary taken on merger	844.48	-
Depreciation of assets not having useful life as at 01-04-2014 transferred as per Sch. II of Companies Act, 2013. (Net of Deferred Tax)	389.77	-
APPROPRIATIONS/ADJUSTMENTS		
Provision for Taxes - Current Tax	-	0.37
- Deferred Tax	-202.70	-26.54
Prior year Taxes	-0.08	-3.73
Provision for Dividends	-	-
Dividend Distribution Tax	-	-
Transfer to General Reserves	-	-
Balance carried forward to Profit and Loss account	-78.72	972.16
Total	952.75	942.26

PROFITS/ DIVIDENDS

The workings during the year 2014-15 have resulted in a net loss of ₹19.41 Lakhs as against a net profit of ₹ 49.03 Lakhs in the previous year. No dividend is recommended in view of the loss in the year and the need to conserve funds for reducing borrowings.

AMALGAMATION OF SUBSIDIARY COMPANY

Veejay Lakshmi Textiles Limited, the erstwhile wholly owned Subsidiary of the company has been merged with the Company by amalgamation from 1.4.2014 and the same has been approved by the Hon'ble High Court, Madras by its order dated 10/07/2015. Accordingly the audited accounts of the Company for the financial year 2014-15 covers both the operations of the engineering activities of the Company and the textile business handled by the subsidiary earlier.



OPERATIONS

There has not been any improvement in the demand for the products of the company's engineering division and the sales volume of both products have declined. Considering the fall in demand for the automatic cone winder and the delay in development of the new model, the company has decided to discontinue the manufacture of the automatic cone winders. The technology for the new model of automatic cone winder under development has been sold by the company.

The export market has not been encouraging for the textile division in the later part of the year.

The capacity utilization of the textile division could not be at the optimum level due to the power cut in force through major part of the year.

The sales of textile machinery and spares during the year under review is Rs.10,945 Lakhs as against Rs.7,022 Lakhs in the previous year. The sales in the current year include sales from the subsidiary company consequent to amalgamation. The income from the wind mill during the year is Rs.254 lakhs against Rs.136 lakhs in the previous year, mainly due to inclusion of revenue on amalgamation.

The exceptional income represents the income on account of know-how fee and also the profit on sale of part of the assets used for automatic cone winders.

FINANCE

There has not been any additional borrowings/limits availed during the year. The repayment of the Term loans is made as per schedule and the outstanding has come down to Rs.514 lakhs. All interest payments due have been paid in time without any delay.

R&D/TECHNOLOGY AND AWARDS

The focus of the Company is on product development to improve productivity and energy conservation. The Company's R & D efforts resulted in the development of a new model of Two for one Twister with energy efficient spindles. This has been recognized by the Textile Machinery Manufacturers' Association(India), in the selection of the Company for R&D Award for the year 2014-15.

The Textile Division (erstwhile Veejay Lakshmi Textiles Ltd) has also won an award from Texprocil for its export performance in the year 2013-14.

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 public during the year and there are no deposits from the public as at 31.3.2015. The Company has an amount of Rs.970.0 lakhs as unsecured loans from Directors.

DIRECTORATE

Sri D. Ranganathan, Wholetime Director will retire by rotation at the ensuing Annual General meeting and being eligible he offers himself for re appointment.

Sri J. Vijayakumar and Sri B.Selvarajan have relinquished their directorships in the Company during the year.

Smt Arthi Anand, relative of promoter directors has been co-opted as an additional Director from March 30, 2015.

Sri Rajiv A. Naidu has been appointed as Alternate Director to Sri N. Athimoolam Naidu from April 2, 2015.



INFORMATION STATUS OF THE COMPANY

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.

INFORMATION PURSUANT TO SECTION 134 OF THE COMPANIES ACT, 2013

The information pursuant to provisions of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with provisions of Section 134 of the Companies Act, 2013 are furnished in Corporate Governance Report under the title 'Details of Remuneration for the Year 2014-15.'

PARTICULARS OF EMPLOYEES

There are no employees within the meaning of sub rule (2) of rule (5) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 who are paid remuneration in excess of the amounts prescribed.

Other particulars relating to employees are furnished in the Report on Corporate Governance.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors hereby state that:

- in preparation of annual accounts for the financial year ended March 31,2015, the applicable Accounting standards have been followed along with proper explanation relating to material departures.
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the year ended 31st March 2015.
- 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.
- the Directors have prepared the annual accounts for the Financial year ending March 31, 2015 on a going concern basis.
- the Directors had laid down internal financial controls to be followed by the company and that such internal controls are adequate and are operating effectively.
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement, is presented separately forming part of the Annual Report.

CORPORATE GOVERNANCE

The report on Corporate Governance as stipulated under the Listing Agreement forms an integral part of this report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance.



BUSINESS RESPONSIBILITY REPORT

As stipulated under the Listing Agreement, the Business Responsibility Report describing the initiatives taken by the Company in this respect is attached as part of the Annual Report.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and were on arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material.

The prescribed Form AOC-2 in this respect is attached as **Annexure I**.

Your Directors draw attention of the members to note No.7 to the financial statement which sets out related party disclosures.

CORPORATE SOCIAL RESPONSIBILITY

Not applicable to the Company under the relevant provisions of the Companies Act, 2013.

RISK MANAGEMENT

During the year your Directors have constituted a Risk Management Committee which has been entrusted with the responsibility to assist the Board in overseeing and approving the companywide risk management framework and ensuring that there is an adequate risk management infrastructure in place commensurate to the size and nature of business, capable of addressing all the risks. None of the identified risk elements have any threat on the sustainability of the business.

The Company's Risk Management Policy which has been approved by the Board is subject to review every year.

INTERNAL FINANCIAL CONTROLS

The Company has adequate internal financial controls in place with reference to financial statements. During the year such controls were reviewed and ensured that it had no material weakness.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The profile of Directors proposed to be reappointed is attached separately.

DISCLOSURES:

Audit Committee

The Audit Committee comprises Independent Directors Sri N.M. Ananthapadmanabhan (Chairman) and Sri B. Sriram and Whole-time Director Sri D.Ranganathan. All the recommendations made by the Audit Committee were accepted by the Board.

Vigil Mechanism

The Vigil Mechanism of the Company also incorporates whistle blower policy stipulated under the Listing Agreement. Execution of the responsibility in terms of the policy has been entrusted to the Audit Committee. Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the Chairman of the Audit Committee.

The Policy on Vigil Mechanism and Whistle Blower may be accessed on the Company's website.

**Meetings of the Board**

Four meetings of the Board of Directors were held during the year. For more details, please refer report on Corporate Governance.

Policy on Director's appointment and Remuneration

The appointment of Directors and fixation of their remuneration is as per the guidelines laid down in the Nomination and Remuneration Policy of the Company and the provisions of the Companies Act, 2013 and rules in this respect under the Act. The policy is disclosed as **Annexure 2** to this report.

Declaration by Independent Directors

The independent directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as independent directors under the provisions of the above act and the relevant rules.

Disclosure under the Sexual Harassment of Women at Workplace (prevention, prohibition and redressal) Act, 2013

As per the Sexual Harassment of Women at Workplace (prevention, prohibition and redressal) Act, 2013, the Company has constituted a Complaints Committee within HR department. No complaints were received by the committee during the year 2014-15.

Particulars of Loans given, Investments Made, Securities provided and guarantees given

Particulars of loans given, investments made, securities provided and guarantees given, covered under the provisions of section 186 of the Companies Act, 2013 are contained under note No.3 of the Financial Statement.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo

The particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in **Annexure-3** to this report.

Other particulars as per Rule 8(5) of Companies (Accounts) Rules, 2014

Sl. No.	Particulars	Related disclosures
1.	The change in the nature of business	The business of the Company now includes manufacture of cotton yarn and knitted fabric consequent to amalgamation of its subsidiary company.
2.	The details of directors or key managerial personnel who were appointed or have resigned during the year	Sri J. Vijayakumar and Sri B.Selvarajan have relinquished their directorships during the year. Smt Arthi Anand has been appointed as additional Director.
3.	The names of the Companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year	Veejay Sales and Services Limited became an associate Company and Veejay Lakshmi Textiles Limited, the wholly owned subsidiary ceased to be its subsidiary consequent to its amalgamation with the Company effective from April 1, 2014.
4.	Issue of equity shares with differential rights as to dividend, voting or otherwise.	No equity shares were issued during the year.
5.	Issue of equity shares (sweat equity shares) to the employees of the Company	No sweat equity issue during the year.



Sl. No.	Particulars	Related disclosures
6.	Receipt of remuneration or commission by the Managing Director or Wholetime Director from any of its subsidiaries	Neither the Managing Director nor any wholetime Director received remuneration from any subsidiary company.
7.	The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.	No significant or material orders were passed by the regulators or courts or tribunals which impact the going concern status of the company.

Extract of Annual Return

Extract of Annual Return of the Company is annexed herewith as **Annexure-4** to this report.

Particulars of Employees and related disclosures

In terms of the provisions of Section 197(12) of the Act read with Rules 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of employees drawing remuneration in excess of the limits set out and other particulars relative of the remuneration of Key Managerial Personnel are provided in the Corporate Governance Report under the title 'Details of Remuneration for the Year 2014-15.'

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

M/s. N.R. Doraiswami & Co., Chartered Accountants, statutory auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting of the Company and are eligible for reappointment. They have confirmed their eligibility to the effect that their reappointment if made, would be within the prescribed limits under the Act and that they are not disqualified for reappointment.

The Auditors' Report does not contain any qualification, reservation or adverse remark.

Cost Auditors

The Cost Records of the Company are not liable for cost audit for the year 2014-15 as per the Cost Audit Rules applicable for that period.

Secretarial Auditor

The Board has appointed M/s. J Macs Associates P. Ltd, Practicing Company Secretaries to conduct Secretarial Audit for the Financial Year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

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 their dedicated efforts of the employees and their contribution which is deeply acknowledged.

For and on behalf of the Board

Coimbatore

August 10, 2015

(Sd/-) V.J. Jayaraman

Chairman and Managing Director

**ANNEXURES TO DIRECTORS' REPORT****ANNEXURE – 1****FORM NO. AOC – 2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of The Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

a.	Name(s) of the related party and nature of relationship	–	–
b.	Nature of contracts/ arrangements/ transactions	All contracts and arrangements with outside parties are in the course of business and at arms length basis.	All contracts and arrangements with outside parties are in the course of business and at arms length basis.
c.	Duration of contracts / arrangements / transactions	–	–
d.	Salient terms of the contracts or arrangements or transactions including the value if any.	–	–
e.	Justification for entering into such contracts or arrangements or transactions	–	–
f.	Date(s) of approval by the Board	–	–
g.	Amount paid as advances, if any.	–	–
h.	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	–	–

2. Details of material contracts or arrangement or transactions at arm's length basis

a.	Name(s) of the related party and nature of relationship	Veejay Sales and Services Limited	Veejay Marketing
b.	Nature of contracts/ arrangements/ transactions	Yarn sales, purchase and twisting job work in the course of business of the Company. Selling Agency agreement in respect of machinery manufactured by the Company.	Contract for assembly job work for machinery subassemblies.
c.	Duration of the contracts/ arrangements/ transactions	Valid up to 31-03-2015.	Valid up to 31-03-2015.



d.	Salient terms of the contracts or arrangements or transactions including the value, if any.	Supply and purchase of cotton yarn at prevailing market prices and twisting job work at market rate.	Supply of machinery parts and material for assembly on job work basis at the rates competitive as in the market.
e.	Date(s) of approval by the Board, if any.	Approved on 26-05-2014.	Approved on 26-05-2014 and the transactions every quarter.
f.	Amount paid as advances, if any:	Nil	Nil

ANNEXURE – 2

NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

Definitions:

“**Remuneration**” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

“**Key Managerial Personnel**” means:

- i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii) Chief Financial Officer;
- iii) Company Secretary; and
- iv) such other officer as may be prescribed.

“**Senior Managerial Personnel**” mean the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

Objective:

The objective of the policy is to ensure that

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Role of the Committee:

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.



- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders.

TERM / TENURE

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

EVALUATION

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.



REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

- 1) Remuneration to Managing Director / Whole-time Directors:
 - a) The Remuneration / Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
 - b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.
- 2) Remuneration to Non-Executive / Independent Directors:
 - a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
 - b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
 - c) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
 - i) The Services are rendered by such Director in his capacity as the professional; and In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.
- 3) Remuneration to Key Managerial Personnel and Senior Management:
 - a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and may include incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
 - b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time.
 - c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

**IMPLEMENTATION & REVIEW**

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members.
- The policy shall be subject to review as and when needed depending on exigencies of circumstances.

ANNEXURE - 3

**DISCLOSURE OF PARTICULARS AS REQUIRED UNDER
THE COMPANIES (ACCOUNTS) RULES, 2014 (Rule 8(3))**

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Sl. No.	Particulars	Related Disclosures
Conservation of Energy		
1.	Steps taken or impact on conservation of energy	All florescent lamps in the Textile Division of the Company have been replaced with energy efficient and longer life LED lamps.
2.	Steps taken by the company for utilizing alternate sources of energy	The Company has its own wind mills installed for a total capacity of 4050 KW.
3.	Capital investment on energy conservation equipments	Rs.6.60 lakhs
Technology Absorption, Adaptation and Innovation		
1.	Efforts made towards technology absorption	In house Research and Development process is continuing one.
2.	Benefits derived like product improvement, cost reduction, product development or import substitution	Product development and cost reduction.
3.	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) a) Details of technology imported b) The year of import c) Whether technology has been fully absorbed d) If not fully absorbed, areas where absorption has not taken place and reasons thereof	No imported technology used.
4.	The expenditure incurred on Research and Development	₹61.33 lakhs

Foreign Exchange Earnings and Outgo

Rs.Lakhs

1.	Foreign Exchange earned	2642.67
2.	Foreign Exchange Outgo	528.98



ANNEXURE 4

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31-03-2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN:-	L29191TZ1974PLC000705
ii) Registration Date	26/08/1974
iii) Name of the Company	VEEJAY LAKSHMI ENGINEERING WORKS LIMITED
iv) Category / Sub-Category of the Company	Public Limited
v) Address of the Registered office and contact details	SENGALIPALAYAM N G G O COLONY POST COIMBATORE - 641022, TAMIL NADU PHONE : 0422 - 2460662 FAX : 0422 - 2460453 E-mail : compsec@veejaylakshmi.com
vi) Whether listed company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	S K D C CONSULTANTS LIMITED KANAPATHY TOWERS 3rd FLOOR, 1391/A-1, SATHY ROAD GANAPATHY COIMBATORE - 641006 PHONE : 0422 - 6549995 E-mail : info@skdc-consultants.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	TWO FOR ONE TWISTERS	354201000	15.30%
2	AUTOMATIC CONE WINDERS	354201000	16.10%
3	COTTON YARN	520511	52.50%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	VEEJAY SALES AND SERVICES LIMITED	U05150TZ1995PLC005705	ASSOCIATE	26.2	2(06)



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1922062	1138830	3060892	60.35	3080902	33480	3114382	61.41	1.06
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.	28734	0	28734	0.57	53494	0	53494	1.05	0.48
e) Banks / FI									
f) Any Other....									
Sub-total (A) (1):	1950796	1138830	3089626	60.92	3134396	33480	3167876	62.46	1.54
(2) Foreign									
a) NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other....									
Sub-total (A) (2):			0	0			0	0	
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	1950796	1138830	3089626	60.92	3134396	33480	3167876	62.46	1.54
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	200	200	0.004	0	200	200	0.004	0
b) Banks / FI									
c) Central Govt	0	100	100	0.002	0	100	100	0.002	0
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies	500	0	500	0.010	500	0	500	0.010	0
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	500	300	800	0.016	500	300	800	0.016	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	219239	0	219239	4.32	192037	6300	198337	3.910	-0.413
ii) Overseas									



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1076351	268714	1345065	26.52	1012906	263084	1275990	25.16	-1.36
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	220414	13000	233414	4.600	242308	13000	255308	5.03	0.43
c) Others (specify)	178556	5200	183756	3.62	168669	4920	173589	3.42	-0.20
Sub-total (B)(2):-	1694560	286914	1981474	39.06	1615920	287304	1903224	37.53	-1.539
Total Public Shareholding (B) = (B)(1)+ (B)(2)	1695060	287214	1982274	39.080	1616420	287604	1904024	37.54	-1.539
C. Shares held by Custodian for GDRs & ADRs			0				0		
Grand Total (A+B+C)	3645856	1426044	5071900	100.00	4750816	321084	5071900	100.00	0.00

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares No. of Shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares No. of Shares	
1	Sri V.J.Jayaraman	1225385	24.16	0	1226965	24.19	0	0.03
2	Sri J. Anand	1109807	21.88	0	1161717	22.90	0	1.02
3	Smt J. Vidya	725700	14.31	0	725700	14.31	0	0
4	Veejay Sales & Services Ltd.	28734	0.57	0	53494	1.06	0	0.49
	Total	3089626	60.92	0	3167876	62.46		1.54



(iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.	Shareholder's Name	Shareholding at the beginning of the year		Date of transaction	Increase/decrease in Shareholding	Reason	Cumulative Shareholding during/(end of) the year	
		No. of shares	% of total				No. of shares	% of total
1	V.J. Jayaraman Chairman and Managing Director	86555	1.707	1/4/2014			86555	1.707
				6/3/2015	1580	Transfer	88135	1.738
				31/3/2015	0		88135	1.738
2	J. Anand Managing Director	1109807	21.881	1/4/2014	0		1109807	21.881
				30/6/2014	8911	Transfer	1118718	22.057
				25/7/2014	10515	Transfer	1129233	22.264
				29/8/2014	100	Transfer	1129333	22.266
				5/9/2014	300	Transfer	1129633	22.272
				12/9/2014	7100	Transfer	1136733	22.412
				19/9/2014	6095	Transfer	1142828	22.533
				10/10/2014	70	Transfer	1142898	22.534
				17/10/2014	1550	Transfer	1144448	22.564
				14/11/2014	2039	Transfer	1146487	22.605
				28/11/2014	500	Transfer	1146987	22.615
				12/12/2014	1739	Transfer	1148726	22.649
				19/12/2014	1900	Transfer	1150626	22.686
				31/12/2014	1155	Transfer	1151781	22.709
				2/1/2015	1008	Transfer	1152789	22.729
				30/1/2015	2559	Transfer	1155348	22.779
				20/2/2015	1600	Transfer	1156948	22.811
				27/2/2015	1478	Transfer	1158426	22.840
6/3/2015	1510	Transfer	1159936	22.870				
20/3/2015	600	Transfer	1160536	22.882				
27/3/2015	1038	Transfer	1161574	22.902				
31/3/2015	143	Transfer	1161717	22.905				
3	J. Vidya	725700	14.308	1/4/2014	0		725700	14.308
				31/3/2015	0	No change	725700	14.308
4	Veejay Sales and Services Ltd.	28734	0.567	1/4/2014	0		28734	0.567
				4/4/2014	1500	Transfer	30234	0.596
				11/4/2014	740	Transfer	30974	0.611
				18/4/2014	615	Transfer	31589	0.623
				25/4/2014	110	Transfer	31699	0.625
				16/5/2014	497	Transfer	32196	0.635
				6/6/2014	2000	Transfer	34196	0.674
13/6/2014	5480	Transfer	39676	0.782				



S. No.	Shareholder's Name	Shareholding at the beginning of the year		Date of transaction	Increase/decrease in Shareholding	Reason	Cumulative Shareholding during/(end of) the year	
		No. of shares	% of total				No. of shares	% of total
				20/6/2014	6821	Transfer	46497	0.917
				30/6/2014	2500	Transfer	48997	0.966
				31/10/2014	247	Transfer	49244	0.971
				27/2/2015	1000	Transfer	50244	0.991
				6/3/2015	1700	Transfer	51944	1.024
				13/3/2015	1500	Transfer	53444	1.054
				27/3/2015	50	Transfer	53494	1.055
				31/3/2015	0		53494	1.055
5	V.J. Jayaraman (HUF)	33480	0.660	1/4/2014	0		33480	0.660
				21/11/2014	1105350	Transfer interse	1138830	22.454

**(iv) Shareholding Pattern of top ten Shareholders
(other than Directors, Promoters and Holders of GDRs and ADRs):**

S. No.	Shareholder's Name	Shareholding at the beginning of the year		Date of transaction	Increase/decrease in Shareholding	Reason	Cumulative Shareholding during/(end of) the year	
		No. of shares	% of total				No. of shares	% of total
1	Sudha Commercial Company Ltd.	127000	2.504	1/4/2014				
				31/3/2015	0	No change	127000	2.504
2	Sangeetha. S	26350	0.520	1/4/2014			26350	0.520
				23/5/2014	600	Transfer	26950	0.531
				30/5/2014	100	Transfer	27050	0.533
				6/6/2014	1030	Transfer	28080	0.554
				13/6/2014	970	Transfer	29050	0.573
				20/6/2014	1700	Transfer	30750	0.606
				30/6/2014	255	Transfer	31005	0.611
				4/7/2014	3445	Transfer	34450	0.679
				11/7/2014	5400	Transfer	39850	0.786
				18/7/2014	900	Transfer	40750	0.803
				25/7/2014	251	Transfer	41001	0.808
				1/8/2014	900	Transfer	41901	0.826
				8/8/2014	3364	Transfer	45265	0.892
				22/8/2014	900	Transfer	46165	0.910
				29/8/2014	900	Transfer	47065	0.928
12/9/2014	5105	Transfer	52170	1.029				
31/3/2015	0		52170	1.029				



S. No.	Shareholder's Name	Shareholding at the beginning of the year		Date of transaction	Increase/ decrease in Shareholding	Reason	Cumulative Shareholding during/(end of) the year	
		No. of shares	% of total				No. of shares	% of total
3	Bharat Mody	25657	0.506	1/4/2014	0		25657	0.506
				31/3/2015	0	No change	25657	0.506
4	Magesh Kanooga. S	15270	0.301	1/4/2014	0		15270	0.301
				4/4/2014	123	Transfer	15393	0.303
				16/5/2014	563	Transfer	15956	0.315
				23/5/2014	37	Transfer	15993	0.315
				30/5/2014	1146	Transfer	17139	0.338
				6/6/2014	24	Transfer	17163	0.338
				30/6/2014	-655	Transfer	16508	0.325
				11/7/2014	-653	Transfer	15855	0.313
				24/10/2014	-516	Transfer	15339	0.302
				7/11/2014	-110	Transfer	15229	0.300
				14/11/2014	-500	Transfer	14729	0.290
				21/11/2014	-1348	Transfer	13381	0.264
				12/12/2014	-1300	Transfer	12081	0.238
				13/2/2015	1500	Transfer	13581	0.268
				27/3/2015	8671	Transfer	22252	0.439
31/3/2015	0		22252	0.439				
5	Santhilal Magesh	9901	0.195	1/4/2014	0		9901	0.195
				20/6/2014	-4360	Transfer	5541	0.109
				11/7/2014	2097	Transfer	7638	0.151
				18/7/2014	-1	Transfer	7637	0.151
				1/8/2014	2394	Transfer	10031	0.198
				8/8/2014	1940	Transfer	11971	0.236
				5/9/2014	-1	Transfer	11970	0.236
				12/9/2014	-4470	Transfer	7500	0.148
				19/9/2014	-789	Transfer	6711	0.132
				30/9/2014	-1000	Transfer	5711	0.113
				3/10/2014	-200	Transfer	5511	0.109
				6/2/2015	-511	Transfer	5000	0.099
				20/3/2015	-5000	Transfer	0	0.000
27/3/2015	4155	Transfer	4155	0.082				
31/3/2015	0		4155	0.082				
6	Ambalal Shankarlal Patel	25000	0.493	1/4/2014	0		25000	0.493
				31/3/2015	0	No change	25000	0.493



S. No.	Shareholder's Name	Shareholding at the beginning of the year		Date of transaction	Increase/decrease in Shareholding	Reason	Cumulative Shareholding during/(end of) the year	
		No. of shares	% of total				No. of shares	% of total
7	Banhem Stock Broking P. Ltd.	23750	0.468	1/4/2014	0		23750	0.468
				13/6/2014	-520	Transfer	23230	0.458
				25/7/2014	-250	Transfer	22980	0.453
				1/8/2014	-880	Transfer	22100	0.436
				8/8/2014	-352	Transfer	21748	0.429
				22/8/2014	-107	Transfer	21641	0.427
				5/9/2014	-2656	Transfer	18985	0.374
				21/11/2014	-250	Transfer	18735	0.369
				16/1/2015	-250	Transfer	18485	0.364
			31/3/2015	0		18485	0.364	
8	Tanvi J. Mehta	22487	0.443	1/4/2014	0		22487	0.443
				18/7/2014	400	Transfer	22887	0.451
				25/7/2014	408	Transfer	23295	0.459
				14/8/2014	245	Transfer	23540	0.464
				21/11/2014	1846	Transfer	25386	0.501
				31/3/2015	0		25386	0.501
9	S.R.Gupta	20114	0.397	1/4/2014	0		20114	0.397
				31/3/2015	0	No change	20114	0.397
10	Surendra Lamba	19936	0.393	1/4/2014	0		19936	0.393
				31/3/2015	0	No change	19936	0.393

(v) Shareholding of Directors and Key Managerial Personnel

S. No.	Shareholder's Name	Shareholding at the beginning of the year		Date of transaction	Increase/decrease in Shareholding	Reason	Cumulative Shareholding during/(end of) the year	
		No. of shares	% of total				No. of shares	% of total
1	V.J. Jayaraman Chairman and Managing Director	86555	1.707	1/4/2014			86555	1.707
				6/3/2015	1580	Transfer	88135	1.738
				31/3/2015	0		88135	1.738
	V.J. Jayaraman (HUF)	33480	0.660	1/4/2014	0		33480	0.660
21/11/2014	1105350			Transfer interse	1138830	22.454		



S. No.	Shareholder's Name	Shareholding at the beginning of the year		Date of transaction	Increase/decrease in Shareholding	Reason	Cumulative Shareholding during/(end of) the year	
		No. of shares	% of total				No. of shares	% of total
2	J. Anand Managing Director	1109807	21.881	1/4/2014	0		1109807	21.881
				30/6/2014	8911	Transfer	1118718	22.057
				25/7/2014	10515	Transfer	1129233	22.264
				29/8/2014	100	Transfer	1129333	22.266
				5/9/2014	300	Transfer	1129633	22.272
				12/9/2014	7100	Transfer	1136733	22.412
				19/9/2014	6095	Transfer	1142828	22.533
				10/10/2014	70	Transfer	1142898	22.534
				17/10/2014	1550	Transfer	1144448	22.564
				14/11/2014	2039	Transfer	1146487	22.605
				28/11/2014	500	Transfer	1146987	22.615
				12/12/2014	1739	Transfer	1148726	22.649
				19/12/2014	1900	Transfer	1150626	22.686
				31/12/2014	1155	Transfer	1151781	22.709
				2/1/2015	1008	Transfer	1152789	22.729
				30/1/2015	2559	Transfer	1155348	22.779
				20/2/2015	1600	Transfer	1156948	22.811
27/2/2015	1478	Transfer	1158426	22.840				
6/3/2015	1510	Transfer	1159936	22.870				
20/3/2015	600	Transfer	1160536	22.882				
27/3/2015	1038	Transfer	1161574	22.902				
31/3/2015	143	Transfer	1161717	22.905				
3	N.Athimoolam Naidu	67840	1.338	1/4/2014	0		67840	1.338
				31/3/2015	0	No change	67840	1.338
4	D. Ranganathan	300	0.006	1/4/2014	0		300	0.006
				31/3/2015	0	No change	300	0.006
5	B. Selvarajan (ceased as director from 20/4/2014)	33840	0.667	1/4/2014			33840	0.667
				31/3/2015	0	No change	33840	0.667

- No other director or Key Managerial Personnel has any shareholding in the Company.



VI. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness (Rs)
Indebtedness at the beginning of the financial year				
i) Principal Amount	5,95,11,260	1,32,99,161	0	7,28,10,421
ii) Interest due but not paid	0	0	0	
iii) Interest accrued but not due	41,47,604	32,90,846	0	74,38,450
Total (i+ii+iii)	6,36,58,864	1,65,90,007	0	8,02,48,871
Change in Indebtedness during the financial year				
– Addition	15,60,52,091	9,70,00,000	0	25,30,52,091
– Reduction	-3,34,00,000	-1,65,90,007	0	-4,99,90,007
Net Change	12,26,52,091	8,04,09,993	0	20,30,62,084
Indebtedness at the end of the financial year				
i) Principal Amount	18,63,10,955	9,70,00,000	0	28,33,10,955
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	18,63,10,955	9,70,00,000	0	28,33,10,955

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Rs.

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Sri V. J. Jayaraman Managing Director	Sri J. Anand Managing Director	Sri D. Ranganathan Whole Time Director	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	30,00,000	9,28,800	39,28,800
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	37,081	4,58,426	0	4,95,507
	(c) Profits in lieu of salary under section 17(3) Incometax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission				
	- as % of profit	0	0	0	0
	- others, specify...	0	0	0	0
5	Others, please specify	0	0	0	0
	Total (A)	37,081	34,58,426	9,28,800	44,24,307
	Ceiling as per the Act	48,00,000	42,00,000	10,80,000	1,00,80,000



B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount
		Sri N.M. Anantha Padmanabhan	Sri B. Sriram	Sri N. Athimoolam Naidu	
3	Independent Directors				
	– Fee for attending board / committee meetings	40,000	40,000	10,000	90,000
	– Commission	0	0	0	0
	– Others, please specify	0	0	0	0
	Total (1)	40,000	40,000	10,000	90,000
4	Other Non-Executive Directors				
	– Fee for attending board / committee meetings	0	0	0	0
	– Commission	0	0	0	0
	– Others, please specify	0	0	0	0
	Total (2)	0	0	0	0
	Total (B)=(1+2)	40,000	40,000	10,000	90,000
	Total Managerial Remuneration				45,14,307
	Overall Ceiling as per the Act	8,00,000	8,00,000	4,00,000	20,00,000

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/ WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	2,40,000	0	2,40,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission				
	- as % of profit	0	0	0	0
	- others, specify	0	0	0	0
5	Others, please specify	0	0	0	0
	Total	0	2,40,000	0	2,40,000

**VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty		NIL			
Punishment		NIL			
Compounding		NIL			
B. DIRECTORS					
Penalty		NIL			
Punishment		NIL			
Compounding		NIL			
C. OTHER OFFICERS IN DEFAULT					
Penalty		NIL			
Punishment		NIL			
Compounding		NIL			



Form No. MR-3
**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March 2015**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

**The Members
Veejay Lakshmi Engineering Works Limited
Sengalipalayam, NGGO Colony Post,
Coimbatore – 641022**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Veejay Lakshmi Engineering Works Limited (CIN NO: L29191TZ1974PLC000705)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2015 according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made there under;
 - (ii) The Companies Act, 1956 (the Act) and the rules made there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended from time to time:-
 - a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client, and
 - (v) The Listing Agreement entered into by the Company with BSE Limited
2. I was informed that, for the financial year ended on 31st March 2015:
 - (i) The Company was not required to maintain books, papers, minute books, forms and returns or other records according to the provisions of the following Regulations and Guidelines prescribed under SEBI Act :
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;



- b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, which is not applicable as no delisting was during the year; and
 - c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, which is not applicable to the company as no buyback was during the year;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / The Securities and Exchange Board of India (Share based Employee Benefits) Regulations 2014;
 - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - g) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
 - h) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (ii) There are no other laws specifically applicable to the Company, the books, papers, minute books, forms and returns of which were required to be examined by us for the purpose of this report.
3. I have not examined compliance with the Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India as they become applicable only from 1st July 2015.
 4. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.
 5. I further report that:
 - (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 - (ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately in advance, and a system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings before majority decision is carried through. We are informed that there were no dissenting members' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.
 - (iii) There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with other applicable laws, rules, regulations and guidelines.
 - (iv) The details of specific event / action during the audit period which had a major bearing on the Company's affairs pursuant to the above referred laws, rules, regulations, guidelines and standards are given below:
 - a) Veejay Lakshmi Textiles Limited, (CIN:U17111TZ2001PLC009829) was merged with the Company with effect from 1st April 2014 (*appointed date*) as per scheme of amalgamation sanctioned by the Hon'ble High Court of Judicature at Madras on 10th July 2015 in Company Petition Nos. 167 of 2015, under the applicable provisions of the Companies Act, 1956. The merger became operational on 31st July 2015 with the filing of Form INC-28.

Place : Coimbatore
Date : 10.08.2015

(Sd.) K. MUTHUSAMY
M No: F 5865; CP: 3176



To

**The Members
Veejay Lakshmi Engineering Works Limited
Sengalipalayam, NGGO Colony Post,
Coimbatore – 641022**

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to make a report based on the secretarial records produced for my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for our report.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on a test basis.
5. While forming an opinion on compliance and issuing the secretarial audit report, I have also taken into consideration the compliance related action taken by the Company after 31st March 2015 but before issue of the report.
6. I have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
7. I have considered actions carried out by the Company based on independent legal / professional opinion as being in compliance with law, wherever there was scope for multiple interpretations, especially since the financial year ended 31st March 2015 was the first full financial year in which the Companies Act, 2013 has become operational and also on account of the listing agreement with the stock exchanges undergoing major amendments from 1st October 2014.
8. My Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
9. My report is for the merged entity after the merger of M/s Veejay Lakshmi Textiles Limited under the scheme of amalgamation sanctioned by Hon'ble High Court of Judicature of Madras.

Place : Coimbatore
Date : 10.08.2015

(Sd.) K. MUTHUSAMY
M No: F 5865; CP: 3176



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 yarn Twisting machines. The Company diversified into textile spinning in the year 1993 and the textile operations which were handled by a wholly owned subsidiary have been merged by way of amalgamation with the Company from 01-04-2014. 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 100 nos of value Rs. 1687 Lakhs as against 165 nos of value Rs.2432 Lakhs in the previous year. The sale of winders is 21 nos of value Rs.1858 lakhs as against 45 nos. of value Rs.3247 Lakhs in the previous year.

Assembly/Random winder sales have increased to Rs.114 Lakhs from Rs. 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 sales from Textile Division is Rs.5776 lakhs against Rs.7485 lakhs in the previous year.

The income from windmills is Rs.254 lakhs as against Rs.278 lakhs in the previous year.

Note: The values include that of subsidiary Company on amalgamation.

RISKS & CONCERNS:

Engineering Division

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.

With the discontinuing of the manufacture of automatic cone winders, the Company is left only with the Two for one Twisters and Assembly Winders. This will result in considerable reduction in the sales turnover of engineering division. 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.



Textiles Division

Power shortage is a perennial problem faced by the Company resulting in under utilization of installed capacity. It also suffers from locational disadvantage of being away from cotton growing areas, which pushes up the cost of the main raw material.

Further, market for the product Cotton Yarn is not consistent whereby any long term planning is unreliable.

OUTLOOK

The Company will concentrate on development of new models of Two for one twisters with focus on power consumption, automation and improvement in quality and productivity of the yarn processed in twisters. The company will also explore the possibility of developing new models for industrial yarn, technical textiles etc to improve the sale volumes. The demand for twisters will be both from the new capacity addition and for replacement of the old machines. The sales turnover/profits will however depend upon the conditions in textile industry, conducive for capital investments.

As regards the textiles division, the future will depend upon the availability of uninterrupted power, stability in price of raw materials and also the end product. The increase in spinning capacity in northern states close to the areas from where raw materials are sourced and yarn is sold will make the spinning mills in the south less competitive. The Company proposes to produce value added products like twisted yarn and also knitted fabrics to the domestic and export market to realize better price/margins.

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 authorized, 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 program 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.



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 2014-15 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, 2015 are as under:

Name of the Director	Category	No. of Board Meetings		Attendance at the last AGM held on 25.09.2014	No. of Directorships in other companies*	Committee position#	
		Held	Attended			Member	Chairman
Sri.V.J.Jayaraman	Executive (promoter)	4	4	YES	1	-	-
Sri.J.Anand	Executive (Promoter)	4	4	YES	5	-	-
Smt Arthi Anand @	Non-Executive Non-independent	4	-	NO	Nil	-	-
Sri J. Vijayakumar \$	Non-executive Non independent	4	-	NO	2	-	-
Sri.B. Selvarajan \$	Non-Executive Independent	4	-	NO	1	1	-
Sri.N. Athimoolam Naidu	Non-Executive Independent	4	3	NO	3	-	-
Sri.B.Sriram	Non-Executive Independent	4	4	NO	2	1	-
Sri.N.M. Anantha-padmanabhan	Non-Executive Independent	4	4	YES	Nil	-	1
Sri.D.Ranganathan	Executive Non-Independent	4	4	YES	1	-	-

* Includes private limited companies

Committee Positions includes positions in other companies only

@ Appointed as a Director on March 30, 2015

\$ Cessation as a Director in 2014



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.

Sri J. Vijayakumar and Sri B. Selvarajan had relinquished their directorship in the Company from 21-04-2014 and 20-06-2014 respectively.

Smt Arthi Anand was appointed as a Director on March 30, 2015. She is related to the Managing Directors.

The Board met four times during the financial year 2014-15 Viz., on 26.05.2014, 14.08.2014, 13.11.2014 and 09.02.2015. The gap between any two Board Meetings did not exceed 120 days.

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(I)(C)(ii) 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. The independent directors have given declarations at the first meeting of the Board every year that they meet the criteria of independence as provided in the Act.

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 Clause 49 of the Listing Agreement and pursuant to Section 177 of the Companies Act, 2013.

Composition:

The Audit Committee of the Board that was formed in January 2001 has been reconstituted in 2014. The Members of the Committee comprises of the following Directors:

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

Terms of Reference:

- i. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- ii. Review and monitor the auditor's independence, audit process, and effectiveness of audit process.
- iii. Examination of the financial statement and the auditor's report thereon.
- iv. Approval or any subsequent modification of transactions of the company with related parties.
- v. Scrutiny of inter-corporate loans and investments.
- vi. Valuation of undertakings or assets of the company, wherever it is necessary.
- vii. Evaluation of internal financial controls and risk management systems.
- viii. Monitoring the end use of funds raised through public offers and related matters.



- ix. Review of quarterly, half yearly and annual financial statements, company's financial reporting process and disclosures of financial information.
- x. Review of the internal control systems, scope of internal audit and the vigil mechanism in place.

Meetings of the Audit Committee

The Audit Committee met four times during the financial year 2014-15 on 26.05.2014, 14.08.2014, 13.11.2014 and 09.02.2015

Name of the Member	Position Held	No. of Meetings Held	No. of Meetings Attended
Mr. N.M. Ananthapadmanabhan	Chairman	4	4
Mr. B. Sriram	Member	4	4
Mr. D. Ranganathan	Member	4	2*

*Member from 13-11-2014

The Statutory Auditors and the Internal Auditors, 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 25.09.2014.

The Committee has reviewed the financial statements of the Company including consolidated financial statements and recommended the same to the Board for their adoption. All the recommendations by the Audit Committee were accepted by the Board.

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

NOMINATION AND REMUNERATION COMMITTEE

Composition:

The Nomination and Remuneration Committee of the Board was formed in October 2003 and comprises of the following directors:

- Sri.N.M.Ananthapadmanabhan, (Independent Director) Chairman
- Sri.B. Sriram, Member (Independent Director)
- Sri.D. Ranganathan, Member

The terms of reference of the Nomination and Remuneration Committee include formulating the policies for appointment of Directors, fixing of remuneration to the Executive Directors, determining criteria for selection of executive and independent directors and such other functions as may be delegated to it by the Board of Directors.

Details of Remuneration for the year 2014-15

The Company pays a sum of Rs.5000 as fee to Independent Directors for attending the meetings of the Board of Directors and that of the Committees of the Board.

(i) Non-Executive Directors

Name of the Director	Sitting fees Paid in Rs.	Commission	No of Shares held
Sri. N.M. Ananthapadmanabhan	40,000	NIL	NIL
Sri. B. Sriram	40,000	NIL	NIL
Sri. Athimoolam Naidu	10,000	NIL	67,840

**(ii) Executive Directors:**

Name	Designation	Salary & Perquisites per annum in Rs.	Ratio to median remuneration
Sri. V.J. Jayaraman	Chairman-cum-Managing Director	37081	1 : 0.5
Sri. J. Anand	Managing Director	3458426	1 : 48.0
Sri. D. Ranganathan	Whole -time Director	928800	1 : 12.9

The Directors' remuneration does not have variable component such as commission.

There has been no increase in the remuneration of key managerial personnel during the year. There has been no change in the median remuneration of employees in the year.

The average increase in remuneration and that of key managerial Personnel are not comparable with the company performance in the year as current year's result represents that of amalgamated Company.

No other employees receive remuneration higher than that received by a Director. Total number of permanent employees : 594

The remuneration to each of Key Managerial Personnel is reasonable vis-a-vis the respective responsibilities and performance of the Company.

Ratio of remuneration of Directors to the median remuneration of the employees:

K M P	Managing Director	Chief Financial Officer	Company Secretary
Increase in Remuneration	Nil	Nil	Nil
Ratio to median remuneration	1 : 48.0	1 : 12.9	1 : 3.3

The remuneration of directors and key managerial personnel is as per the remuneration policy of the Company.

Evaluation of the Board's Performance, that of Committees and Individual Directors

Evaluation by the Board of its own performance and that of individual directors has been made based on the criteria laid down under the Nomination and Remuneration Policy of the Company. On a review by the independent directors of the deliberations in the meetings of the Board and the Directors' attendance and their contributions to the decisions arrived at the meetings, the results of evaluation has been forwarded to the Chairman of the Board. All Directors of the Board are familiar with the business of the Company.

Shareholder and Investor Grievances Committee

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

- Sri. N.M. Ananthapadmanabhan, Chairman
- Sri. B. Sriram, Member
- 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 and when required, to inter alia deal with matter relating to its term of Reference.



Term of Reference:

- Redressal of shareholder and investors complaints including, but not limiting to transfer of shares and issue of duplicate share certificates, non-receipt of annual report, non-receipt of declared dividends, etc.;
- Monitoring transfers, transmissions, dematerialisation, rematerialisation, splitting and consolidation of shares issued by the Company;
- 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, 2015. As on March 31, 2015 there were no pending requests/complaints from any shareholder.

General Body Meetings:

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

Financial Year	Date	Time	Location	Special Resolutions Passed
2013-14	25.09.2014	10.45 AM	NaniPalkhivala Auditorium, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641 037	Special Resolution was passed for amendment of Articles of Association of the Company.
2012-13	25.09.2013	10.45 AM	-do-	Special Resolution was passed for Re-appointment of Mr. J. Anand, as a Managing director and an Ordinary Resolution was passed for reappointment of Mr. D. Ranganathan as Whole-time Director.
2011-12	27.09.2012	10.45 AM	-do-	Special Resolution was passed for reappointment of Mr. V.J.Jayaraman, as a Managing Director.

Postal Ballot

Three special resolutions were passed through e-voting and Postal Ballot during the Financial Year 2014-15.

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. All the related party transactions were in the course of business of the company.

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

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	September 30, 2015
Time	10.00 AM
Venue	Nani Palkhivala Auditorium, Mani Higher Secondary School premises, Coimbatore - 641 037

2. Financial Calendar for 2015-16:

Financial Year : 1st April, 2015 to 31st March, 2016

Board meeting dates for approval of quarterly results:

1st Qtr. ended on June 30, 2015 : within 45 days from the close of quarter
2nd Qtr. ended on September 30, 2015 : within 45 days from the close of quarter
3rd Qtr. ended on December 31, 2015 : within 45 days from the close of quarter
4th Qtr. ended on March 31, 2016 : within 60 days from the close of quarter

3. Book Closure dates : 24-09-2015 to 30-09-2015 (both days inclusive)
4. Dividend Payment Date : N A
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 2015- 16.

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 2014-2015 on the BSE Limited are as under:



Month	High (Rs)	Low (Rs)
April - 2014	35.50	30.20
May - 2014	43.30	29.55
June - 2014	48.30	40.25
July - 2014	55.65	41.05
August - 2014	61.55	44.60
September - 2014	51.65	42.60
October - 2014	48.20	37.00
November - 2014	49.00	40.50
December - 2014	47.60	41.00
January - 2015	48.65	39.65
February - 2015	46.35	42.35
March - 2015	44.95	36.45

8. Performance of company share price in comparison with BSE Sensex:

The company's share price is not comparable with the BSE Sensex in view of the volume of shares traded being less.

9. Variations in the Market Capitalisation of the Company, Price Earnings Ratio as at the closing date of the current financial year and previous financial year:

Particulars	March 31, 2015	March 31, 2014
Market Capitalisation of the Company (Rs. Lakhs)	2,280	1,800
Issued capital (in Nos)	50,71,900	50,71,900
Closing price at Bombay Stock Exchange Ltd. (Rs.)	44.95	35.50
Earning per share (Rs.)	3.62	1.56
Price Earning Ratio as at closing date	12.42	22.75

Note:

- The earning per share and price earning ratio are not comparable in view of the EPS as at March 31, 2015 represents result after amalgamation of subsidiary with the Company.
- Percentage increase over decrease in the market quotations of the shares in comparison to the rate at which the company came out with the last public offer : Not comparable in view of the last public offer having been made long back in 1998.

10. Registrar and share transfer Agents:

S K D C 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

11. 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.

**12. Distribution of Shareholding as on 31st March 2015**

Shareholding of Nominal value of Rs.10 each	No. of Shareholders	% of shareholders	Shareholding in Rs.	% of Shareholding
UPTO to 5,000	5,954	93.39	71,13,740	14.03
5,001 to 10,000	200	3.14	15,87,450	3.13
10,001 to 20,000	99	1.55	14,77,140	2.92
20,001 to 30,000	42	0.66	10,39,720	2.05
30,001 to 40,000	25	0.39	8,87,860	1.75
40,001 to 50,000	15	0.24	6,94,360	1.37
50,001 to 1,00,000	18	0.28	13,52,500	2.67
1,00,001 AND ABOVE	22	0.35	3,65,66,230	72.08
GRAND TOTAL	6,375	100.00	5,07,19,000	100.0

13. Categories of shareholders as on 31st March 2015

Category	No. of Shares Held	%of Shareholding
Promoter Holding		
1. Promoter Holding	31,67,876	62.46
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	73,010	1.44
6. Private Corporate Bodies	1,98,337	3.91
7. Indian Public	16,09,515	31.73
8. NRI/OBC's	22,362	0.44

14. 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

15. 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.

16. Plant Locations

The Company's plants are located as under:

- Unit I : Sengalipalayam, NGGO Colony Post, Coimbatore – 641 022
- Unit II&III : Kariyampalayam, Annur, Coimbatore - 641 653



- Unit IV : Athipalayam Road, Vellamadai (p.o), Coimbatore – 641 110
- Textiles Division : Thekkampatti, Mettupalayam Taluk, Coimbatore – 641 113

Wind Mills:

- Kethanur, Palladam, Tirupur – 638 671
- Sinjuwadi, Pollachi, Coimbatore – 642 007
- Irukkanthurai, Radhapuram, Tirunelveli – 627 011

17. 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:

<p>S K D C Consultants Limited Kanapathy Towers 3rd 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</p>	<p>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</p>
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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, 2015 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
10.08.2015

(Sd/-) J. Anand
Managing Director

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

The Board of Directors,
Veejay Lakshmi Engineering Works Limited
Coimbatore - 641 022

As required by Clause 49(v) of the Listing Agreement, we hereby certify that:

We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2015 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 of escalating 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 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
10.08.2015

(Sd/-) D. Ranganathan
Whole time Director

(Sd/-) J. Anand
Managing Director



**AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF
CORPORATE GOVERNANCE AS PER CLAUSE 49
OF THE LISTING AGREEMENT WITH STOCK EXCHANGE**

To the Members of Veejay Lakshmi Engineering Works Limited

We have examined the compliance of conditions of Corporate Governance by Veejay Lakshmi Engineering Works Limited for the year ended 31st March, 2015, 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 according to the 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 Exchange for the year ended 31st March, 2015.

On the basis of the records maintained by the Shareholders/Investors Grievance Committee of the Company, we state that no investor grievance is pending for a period exceeding one month.

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)

Coimbatore
10.08.2015

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



INDEPENDENT AUDITORS' REPORT

To the Members of Veejay Lakshmi Engineering Works Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Veejay Lakshmi Engineering Works Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, 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.

Managements' Responsibility for the Financial Statements

The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the 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 whether the Company has in place an adequate internal financial control systems over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Management and Board of Directors, 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 on the financial statements.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31st March, 2015 and its profit and its 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143(3) of the Act, we further report that:
 - a) we have sought and 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 aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) on the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act; and
 - f) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Coimbatore
10.08.2015

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



ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Annexure referred to in our Independent Auditors' report to the members of Veejay Lakshmi Engineering Works Limited ('the Company') on the financial statements for the year ended 31st March 2015.

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

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - b. As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) a. The inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and 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) The Company has not granted any loans or advances in the nature of loans to parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, the question of reporting whether the receipt of principal and interest are regular, and whether reasonable steps for recovery of over-dues of such loans are taken does not arise.
- 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 weaknesses in internal control system.
- v) The Company has not accepted any loans or deposits which are 'deposits' within the meaning of Rule 2(b) of the Companies (Acceptance of Deposits) Rules, 2014.
- vi) The Company is not covered under maintenance of cost records pursuant to section 148 (1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014.
- vii) a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty/Cess and other statutory dues applicable to it.
 - b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Value Added Tax, Service Tax, Customs Duty, Excise Duty/Cess were outstanding, as at 31st March, 2015 for a period of more than six months from the date they became payable.



- c) According to the records of the Company, there are no dues to Sales Tax, Income Tax, Value Added Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty/Cess which have not been deposited on account of any dispute except as under:

Name of Statute	Nature of Dues	Amount ₹ in Lakhs	Forum where the dispute is pending
Central Excise Act, 1944	Central Excise and Service Act	3.58*	Customs, Central Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Central Excise and Service Act	3.14	Customs, Central Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Central Excise and Service Act	64.33*	Customs, Central Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Central Excise and Service Act	1.03*	Customs, Central Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Central Excise and Service Act	3.43	Commissioner of Central Excise Coimbatore Division I

* includes ₹ 3.97 lakhs pre-deposit amount paid.

- d) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- viii) The Company did not have any accumulated losses at the end of the financial year, nor had it incurred any cash loss during the financial year or in the immediately preceding financial year.
- ix) 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 financial institutions or Banks. The company has not issued any debentures and hence the default in repayment of dues to debenture holders does not arise.
- x) In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- xi) In our opinion, and according to the information and explanations given to us, the Company has not raised any term loans during the year.
- xii) During the course of our examination of the books and records of the Company carried out in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the course of our audit nor have been informed of any such instance by the management.

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

Coimbatore
10.08.2015

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

**BALANCE SHEET AS AT 31ST MARCH 2015**

Particulars	Note No.	Figures at	Figures at
		the end of the current reporting period As at 31.3.2015	the end of the previous reporting period As at 31.3.2014
₹ in lakhs			
I. EQUITY AND LIABILITIES			
(1) Share Holder's Funds			
(a) Share Capital	1	507.19	507.19
(b) Reserves and Surplus	2	5,713.16	6,663.22
Sub total (1)		6,220.35	7,170.41
(2) Non Current Liabilities			
(a) Long Term Borrowings	3	1,244.27	299.99
(b) Deferred Tax Liabilities (Net)	4	—	174.91
(c) Long-term Provisions	5	136.92	59.94
Sub total (2)		1,381.19	534.84
(3) Current Liabilities			
(a) Short term Borrowings	6	1,348.84	261.11
(b) Trade Payables	7	865.75	121.92
(c) Other Current Liabilities	8	605.74	632.82
(d) Short-term provisions	9	151.60	66.43
Sub total (3)		2,971.93	1,082.28
TOTAL LIABILITIES		10,573.47	8,787.53
II. ASSETS			
(1) Non-current Assets			
(a) Fixed Asssets	10		
(i) Tangible Assets		4,740.65	2,518.16
(ii) Intangible Assets		1.91	7.39
Sub total (1)		4,742.56	2,525.55
(b) Non current Investments	11	3.16	2,801.85
(c) Deferred Tax Asset (Net)	12	321.56	—
(d) Long Term Loans and Advances	13	145.43	26.34
Sub total (2)		5,212.71	5,353.74
(2) Current Assets			
(a) Inventories	14	2,828.28	2,909.79
(b) Trade Receivables	15	1,295.17	74.88
(c) Cash and Cash equivalents	16	717.32	30.79
(d) Short term Loans and Advances	17	112.52	114.30
(e) Other current assets	18	407.47	304.03
Sub total (3)		5,360.76	3,433.79
TOTAL ASSETS		10,573.47	8,787.53

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)

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

(Sd/-) J. ANAND
Managing Director

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

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

Coimbatore
10.08.2015


STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2015

Particulars	Note No.	Figures for the current reporting period	Figures for the previous reporting period
		As at 31.3.2015	As at 31.3.2014
₹ in lakhs			
I. Revenue from Operations	19	11,006.69	7,098.55
II. Other Income	20	25.66	18.71
III. Total Revenue (I+II)		11,032.35	7,117.26
IV. Expenses			
Cost of Materials consumed	21	6,361.54	3,015.03
Purchase of Traded Goods		863.88	–
Changes in Inventories of Finished goods, Work-in process and Stock in trade	22	630.12	594.46
Employees Benefit Expense	23	1,401.19	1,275.21
Finance Costs	24	230.81	58.53
Depreciation and amortization expenses		992.42	452.86
Other expenses	25	2,069.57	1,672.14
Total Expenses		12,549.53	7,068.23
V. Profit / Loss before exceptional and extraordinary items and tax (III-IV)		-1,517.18	49.03
VI. Exceptional items (income)	26	1,497.77	–
VII. Profit / Loss before extraordinary items and tax (V-VI)		-19.41	49.03
VIII. Extraordinary items		–	–
IX. Profit / Loss before Tax		-19.41	49.03
X. Tax Expense			
Current Tax		–	0.37
Prior year taxes		-0.08	-3.73
Deferred Tax		-202.70	-26.54
XI. Profit and Loss for the period from continuing operations(IX-X)		183.37	78.93
XII. Earning per share			
Basic and Diluted		3.62	1.56

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)	(Sd/-) V.J. JAYARAMAN Chairman Cum Managing Director	(Sd/-) J. ANAND Managing Director
Coimbatore 10.08.2015		(Sd/-) D. RANGANATHAN Whole-Time Director	(Sd/-) V.K. SWAMINATHAN Company Secretary



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Note No.	Particulars	Figures for the current reporting period As at 31.3.2015 ₹ in lakhs	Figures for the previous reporting period As at 31.3.2014
1. SHARE CAPITAL			
	Equity Share Capital		
	Face/par value per share - ₹	10	10
	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	12,26,965	12,25,385
	Smt J. Vidya	7,25,700	7,25,700
	Sri J. Anand	11,61,717	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
	Total	507.19	507.19
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		
	Reserves of the Subsidiary transferred on merger	100.82	-
	Balance at the end of the reporting period	100.82	-
	(c) Surplus-Balance in Profit and Loss Account		
	Balance at the beginning of the reporting period	972.16	893.23
	Balance in the Profit & Loss account of the subsidiary taken on merger	-844.48	-
	Profit after taxes during the year	183.37	78.93
	Transfer to General Reserve	-	-
	Provision for Dividends	-	-
	Dividend Distribution Tax	-	-
	Depreciation on assets having remaining life Nil as at 1.4.2014 as per Schedule II of the Companies Act, 2013	-498.23	-
	Deferred Tax on above	108.46	-
	Balance at the end of the reporting period	-78.72	972.16
	Total Reserves and Surplus	5,713.16	6,663.22


NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Note No.	Particulars	Figures for the current reporting period As at 31.3.2015 ₹ in lakhs	Figures for the previous reporting period As at 31.3.2014
3. LONG TERM BORROWINGS			
A. Term Loans-Secured			
	1. Technology Development Board	-	167.00
	2. State Bank of India	274.27	-
	Repayment 2015-16: Rs.240 Lakhs, 2016-17: Rs.248.75 Lakhs, 2017-18: Rs.25.52 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 and two Directors have guaranteed the above loans.		
	Total Secured	<u>274.27</u>	<u>167.00</u>
B. Unsecured-Loans and Advances from Related parties			
	Loans from Directors	970.00	132.99
	No repayment date is fixed. Repayable at the option of the Company/Directors.		
	Total Unsecured Loans	<u>970.00</u>	<u>132.99</u>
	Total Long Term Borrowings	<u>1,244.27</u>	<u>299.99</u>
	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
	Deferred Tax Liability - A	-	308.33
	Carry Over Loss and other timing difference items	-	411.23
	Deferred Tax Asset - B	-	133.42
	Deferred Tax Liability - Net (A-B)	<u>-</u>	<u>174.91</u>
5. LONG TERM PROVISIONS			
	Provision for Employee benefits-Gratuity	<u>136.92</u>	<u>59.94</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**

Note No.	Particulars	Figures for the current reporting period As at 31.3.2015 ₹ in lakhs	Figures for the previous reporting period As at 31.3.2014
6. SHORT TERM BORROWINGS			
	Loans repayable on demand - Secured		
	From Banks (Working capital facilities-Cash Credit, Export packing credit and Bills discounted)		
	State Bank of India	1,108.00	259.83
	Indian Overseas Bank	240.84	0.47
	Corporation Bank	–	0.81
	Secured by the hypothecation of Stock-in-Trade, Receivables and other Current Assets and by second charge on fixed assets on pari pasu basis and two Directors have guaranteed the loans from State Bank of India.		
	Total Short term Borrowings	1,348.84	261.11
	There is no default in payment of principal or interest for the above		
7. TRADE PAYABLES			
	Micro, Medium and Small Enterprises	2.90	8.38
	Others	862.85	113.54
	Total Trade payables	865.75	121.92
8. OTHER CURRENT LIABILITIES			
	Current Maturities of Long Term Debt (Secured)		
	Technology Development Board	–	167.00
	State Bank of India	240.00	–
	Interest Accrued but not due on borrowings	–	74.38
	Advance Received against sales	358.62	375.91
	Unclaimed Dividends	3.14	5.07
	Liabilities for other Finance-Tax collections payable, Deductions from Salaries and Wages, etc.	3.98	10.46
	Total Other Current Liabilities	605.74	632.82
9. SHORT TERM PROVISIONS			
	Provision for Employee benefits	151.60	66.06
	Provision for Incometax	–	0.37
	Total Short Term Provisions	151.60	66.43

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

10. FIXED ASSETS

ASSETS	GROSS BLOCK						DEPRECIATION / AMORTISATION						NET BLOCK	
	Cost upto 31.03.2014	Assets of Subsidiary taken on Merger	Additions	Sales/Transfers	Cost Upto 31.03.2015	Upto 31.03.2014	Depn Acctd on Assets of Subsidiary taken on Merger	For the year	Transferred to Retained earnings	Withdrawn during the year	Upto 31.03.15	As at 31.03.15	As at 31.03.15	As at 31.03.2014
TANGIBLE ASSETS														
Land	220.85	899.24	-	-	1,120.09	-	-	-	-	-	-	1,120.09	220.85	
Buildings	1,166.32	1,436.03	-	-	2,602.35	600.94	278.21	75.54	51.48	-	1,006.17	1,596.18	565.38	
Plant & Machinery	6,900.09	3,174.41	148.61	2,832.92	7,390.19	5,262.55	1561.84	851.68	258.79	2,455.28	5,479.58	1,910.61	1,637.54	
Vehicles	42.97	25.75	10.06	10.91	67.87	36.09	17.79	7.82	2.23	9.86	54.07	13.80	6.88	
Furniture and fittings	95.64	174.93	0.67	5.38	265.86	54.29	86.33	31.75	9.61	2.25	179.73	86.13	41.35	
Office Equipments	166.04	-	-	-	166.04	119.88	-	20.15	12.17	-	152.20	13.84	46.16	
Sub Total A	8,591.91	5,710.36	159.34	2,849.21	11,612.40	6,073.75	1,944.17	986.94	334.28	2,467.39	6,871.75	4,740.65	2,518.16	
INTANGIBLE ASSETS														
Computer Software	60.19	-	-	-	60.19	52.80	-	5.48	-	-	58.28	1.91	7.39	
Sub Total B	60.19	-	-	-	60.19	52.80	-	5.48	-	-	58.28	1.91	7.39	
Total (A+B)	8,652.10	5,710.36	159.34	2,849.21	11,672.59	6,126.55	1,944.17	992.42	334.28	2,467.39	6,930.03	4,742.56	2,525.55	
Previous Year	8,479.27	-	191.60	18.77	8,652.10	5,689.95	-	452.86	-	16.26	6,126.55	2,525.55	2,789.32	

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**

Note No.	Particulars	Figures for the current reporting period As at 31.3.2015 ₹ in lakhs	Figures for the previous reporting period As at 31.3.2014
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 Limited, 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 M/s 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	–
(iii) Investment in Wholly Owned Subsidiary (Under Same Management)			
	1,20,00,000 Equity Shares of ₹10/- each in M/s Veejay Lakshmi Textiles Limited, fully paid up at cost	–	1,200.00
	3,51,00,000 6% Non Cumulative Redeemable Preference Shares of Rs. 10/- each in M/s Veejay Lakshmi Textiles Ltd, fully paid up at cost	–	1,600.00
	Total	8.18	2,806.87
	Less Investment Fluctuation Reserve	5.02	5.02
	Total	3.16	2,801.85
	Aggregate Value of Quoted Investment – Cost	6.77	
	– Market Value	58.08	
	Aggregate Value of Unquoted Investments – Cost	1.41	


NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Note No.	Particulars	Figures for the current reporting period As at 31.3.2015 ₹ in lakhs	Figures for the previous reporting period As at 31.3.2014
12.	DEFERRED TAX ASSET-(NET)		
	Carry Over Loss and other timing difference items	2,875.64	–
	Deferred Tax Asset - A	933.00	–
	Depreciation	1,884.53	–
	Deferred Tax Liability - B	611.44	–
	Deferred Tax Asset – (Net) A – B	321.56	–
13.	LONG TERM LOANS AND ADVANCES (Unsecured considered good)		
	Capital Advances	42.39	–
	Security Deposits	103.04	26.34
	Loans and Advances to Subsidiary	–	–
	Loans and Advances to firms or Private Companies in which the Directors are partner or a Director or a member	–	–
	Loans and Advances to other related parties	–	–
	Total Long Term Loans and Advances	145.43	26.34
	All the above are unsecured but considered good and no allowance made for bad or doubtful debt		
14.	INVENTORIES		
	Raw Materials	1,583.03	341.35
	Scrap	3.23	1.87
	Components	216.93	1,261.99
	Work-in-Progress	644.24	1,181.08
	Stores and Spares	100.41	96.41
	Finished goods	169.54	24.94
	Retired Assets held for disposal	110.90	2.15
	Total Inventories	2,828.28	2,909.79
15.	TRADE RECEIVABLES		
	Unsecured considered good	1,295.17	74.88
	Total Trade receivables	1,295.17	74.88
	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, 2015**

Note No.	Particulars	Figures for the current reporting period	Figures for the previous reporting period
		As at 31.3.2015 ₹ in lakhs	As at 31.3.2014
16. CASH AND CASH EQUIVALENTS			
	Balance with Banks		
	- in Current Accounts	616.08	8.46
	- in Deposit Accounts-maturity above 12 months	13.10	—
	- Deposits for Margin money or for other commitments/security	16.60	12.67
	Unclaimed Dividends	3.14	5.07
	Cash on hand	68.40	4.59
	Total Cash and Cash equivalents	717.32	30.79
17. SHORT TERM LOANS AND ADVANCES			
	Unsecured – Considered good		
	i) Advance to Suppliers - Others	92.67	99.34
	ii) Advance to Staff and Workers	15.66	10.77
	Unsecured – Doubtful		
	iii) Advance to Suppliers - Others	4.19	4.19
	Total Short Term Loans and Advances	112.52	114.30
18. OTHER CURRENT ASSETS			
	Advance payment of Taxes and TDS	229.84	124.40
	Cenvat/Vat credit, Duty draw back and other receivables, MAT credit entitlements	155.01	169.81
	Prepaid Expenses	22.62	9.82
	Total Other Current Assets	407.47	304.03
19. REVENUE FROM OPERATIONS			
	a) Sale of Products	11,344.53	8,004.11
	b) Sale of Services	270.22	92.55
	c) Other operating revenues	61.47	77.03
	Sub total	11,676.22	8,173.69
	Less: Excise Duty	669.53	1,075.14
	Revenue net of Excise duty	11,006.69	7,098.55


NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Note No.	Particulars	Figures for the current reporting period As at 31.3.2015 ₹ in lakhs	Figures for the previous reporting period As at 31.3.2014
20. OTHER INCOME			
	Interest receipts	19.96	1.57
	Rent Receipts	1.50	-
	Dividend Receipts	0.55	0.44
	Foreign exchange gain	13.18	-
	Net gain / Loss on Sale of Asset	-11.03	16.70
	Miscellaneous income	1.50	-
	Total Other Income	25.66	18.71
21. COST OF MATERIALS CONSUMED			
	Raw materials - Ferrous	474.34	965.87
	Raw materials - Non-Ferrous	159.11	297.63
	Raw materials - Castings	91.18	186.43
	Raw materials - Non metals	71.62	161.72
	Components	1,733.87	1,403.38
	Raw materials cotton	3,831.42	-
	Materials consumed	6,361.54	3,015.03
22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN PROCESS AND STOCK IN TRADE			
	Opening stock	1,447.13	1,802.35
	Closing stock	817.01	1,207.89
	(Increase)/Decrease	630.12	594.46
23. EMPLOYEE BENEFITS			
	Salary, Wages, Gratuity, etc	1,162.48	1,017.27
	Contribution to Provident Fund	59.87	42.04
	Staff and Labour Welfare expenses	178.84	215.90
	Total Employee Cost	1,401.19	1,275.21
24. FINANCE COSTS			
	Interest and other borrowing costs	230.81	58.53
	Total Finance Cost	230.81	58.53



Note No.	Particulars	Figures for the current reporting period As at 31.3.2015 ₹ in lakhs	Figures for the previous reporting period As at 31.3.2014
25. OTHER EXPENSES			
	Stores consumed	358.78	336.63
	Fabrication Charges	182.13	303.27
	Power and Fuel	852.65	427.48
	Freight	123.66	40.58
	Printing and Stationery	10.69	26.65
	Postage and Telephone	21.66	11.90
	Travelling and Vehicle Maintenance	54.45	52.56
	Insurance	14.76	7.07
	Rent	6.71	14.62
	Bank Charges	16.15	14.39
	Licences and Taxes	66.57	31.14
	Sales commission	104.24	176.23
	Sales promotion expenses	9.61	14.19
	Subscription and periodicals	3.86	3.62
	Directors' Sitting fees	1.51	1.27
	Audit fees	1.20	1.20
	Legal and Professional charges	22.27	23.79
	Repairs and Maintenance-Buildings	18.64	22.71
	Repairs and Maintenance-Machinery	99.96	142.49
	Repairs and Maintenance-Others	7.13	1.12
	Bad Debts written off & Provision for Doubtful debts	91.36	18.01
	Miscellaneous expenses	0.01	0.00
	Donations	1.57	1.22
	Total Other Expenses	2,069.57	1,672.14
26. EXCEPTIONAL ITEMS + INCOME / – EXPENDITURE			
	Sale of Know-how fees	600.00	–
	Excise Duty Claim	-64.00	–
	Profit on sale of assets	936.18	–
	Provision for Doubtful Debts in prior years reversed	25.59	–
	Total	1,497.77	–

See accompanying notes to the financial statements.

Coimbatore 10.08.2015	As per our report attached For N.R. DORAISWAMI & CO Chartered Accountants (Firm Registration No. 000771S) (Sd/-) SUGUNA RAVICHANDRAN Partner, (Membership No.207893)	(Sd/-) V.J. JAYARAMAN Chairman Cum Managing Director (Sd/-) D. RANGANATHAN Whole-Time Director	(Sd/-) J. ANAND Managing Director (Sd/-) V.K. SWAMINATHAN Company Secretary
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NOTE FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31.03.2015

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 /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 on Fixed Assets has been provided on useful life of the assets in accordance with Schedule II of the Companies Act, 2013. Depreciable value of assets not having useful life as at 01-04-2014 has been adjusted in retained earnings.
- 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. 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. The Company has no foreign operations.



**NOTE FORMING PART OF FINANCIAL STATEMENT
FOR THE YEAR ENDED 31.03.2015 (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 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 three segments – Engineering, Textiles and Windmills. 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. Self Consumption is not considered for Inter Segment Revenue/Adjustments, as has been done in the past.



NOTE FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31.03.2015 (Contd....)

2. EXPENDITURE IN FOREIGN CURRENCY

A. Value of Imports made on CIF Basis	2014-2015		2013-2014	
	₹ in Lakhs		₹ in Lakhs	
i. Raw materials and Components		465.27		1,594.22
ii. Spares parts and Consumables		15.08		28.08
iii. Capital goods		35.28		155.52
Total		515.63		1,777.82

B. Other Expenses in Foreign currency		13.36		50.67
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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	1,074.28	17%	1,664.41	55%
ii. Total value of all indigenous raw materials, components and spares parts consumed	5,287.26	83%	1,350.62	45%
Total Consumption	6,361.54	100%	3,015.03	100%

D. Earnings in Foreign Currency				
Exports of goods - F.O.B. Value	2,642.67			545.33

3. CONTINGENT LIABILITIES AND COMMITMENTS

	(₹ in Lakhs)	
	31.03.2015	31.03.2014
a. Duty liability and interest on account of pending export obligation against EPCG Licences	15.00	-
b. Amounts claimed by customs, Excise and Market committee authorities disputed in appeals	11.20	44.48
c. Claims from Debtors, Creditors and workmen not acknowledged as debts including interest	28.18	-
d. Guarantees issued by Banks on behalf of the Company	-	437.70
e. Letter of Credit opened by Banks on behalf of the Company	-	3.47
f. Credit facilities of Subsidiary guaranteed by the Company - outstanding -both fund based and non-fund based	-	1,926.39
g. Estimated amount of capital contracts remaining to be executed	24.78	-
h. 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	-



**NOTE FORMING PART OF FINANCIAL STATEMENT
FOR THE YEAR ENDED 31.03.2015 (Contd....)**

Particulars	31.3.2015	31.3.2014
4. Research and Development Expenses incurred (₹ Lakhs)	61.33	47.69
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.	18.66	6.32

6. SEGMENT REPORT FOR THE YEAR ENDED 31.3.15

₹ in lakhs

	31.3.15				31.3.14		
	Engg. Dvn	Wind Mill Dvn	Textile Dvn	Total	Engg. Dvn	Wind Mill Dvn	Total
External Sales	4,976	254	5,937	11,167	6,963	136	7,099
Inter Segment Transfers	159	-	2	161	-	-	-
Total Revenue	4,817	254	5,935	11,006	6,963	136	7,099
Result							
Segment Result	-642	191	-824	-1,275	74	55	129
Un allocated including exceptional items	-	-	-	-70	-	-	-23
Operating Profit	-	-	-	-1,345	-	-	106
Interest Expense	-	-	-	-231	-	-	-59
Interest Income	-	-	-	20	-	-	2
Income Taxes	-	-	-	203	-	-	30
Unallocable Income	-	-	-	1,536	-	-	-
Profit from Ordinary Activities	-	-	-	183	-	-	79
Extra Ordinary Items	-	-	-	-	-	-	-
Net Profit	-	-	-	183	-	-	79
Other Information							
Segment Assets	3,435	696	4,921	9,052	5,330	252	5,582
Un allocated Corporate Assets	-	-	-	1,521	-	-	3,206
Total Assets	-	-	-	10,573	-	-	8,788
Segment Liabilities	800	-	707	1,507	630	-	630
Un allocated Corporate Liabilities	-	-	-	9,066	-	-	8,158
Total Liabilities	-	-	-	10,573	-	-	8,788
Capital Expenditure	49	-	3,876	3,925	192	-	192
Depreciation	609	33	349	992	383	65	453
Non-Cash Expenditure other than depreciation	-	-	-	-	-	-	-



**NOTE FORMING PART OF FINANCIAL STATEMENT
FOR THE YEAR ENDED 31.03.2015 (Contd....)**

7. Related Party Transactions

(₹ 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	2014-15	1774.25	-	-	-
	2013-14	46.76	5.39	-	-
Sale of machinery, spares, raw materials, components and job works	2014-15	1281.97	-	-	-
	2013-14	38.32	4.14	-	-
Sales commission paid	2014-15	53.16	-	-	-
	2013-14	129.06	-	-	-
Rent paid	2014-15	4.80	-	1.23	-
	2013-14	13.29	-	1.23	-
Managerial remuneration	2014-15	-	-	44.24	9.60
	2013-14	-	-	44.45	9.82
Un secured loans	2014-15	-	-	970.00	-
	2013-14	-	-	132.99	-
Interest paid on loans	2014-15	-	-	7.66	-
	2013-14	-	-	11.97	-
Outstanding due from the Company	2014-15	3.54	-	-	-
	2013-14	0.05	-	-	-
Outstanding due to the Company	2014-15	15.98	-	-	-
	2013-14	-	-	-	-

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 marketing
3	M/s. Augustan Coimbatore Knitting Company Limited
4	M/s. Veejay Terry Products Limited
5	M/s. Veejay Tool & Die Private Limited
6	M/s. Veejay Yarns & Fabrics Private Limited
7	M/s. Veejay Syntex 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.



**NOTE FORMING PART OF FINANCIAL STATEMENT
FOR THE YEAR ENDED 31.03.2015 (Contd....)**

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

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

C. 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)

D. 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



NOTE FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31.03.2015 (Contd....)

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

Particulars	Gratuity (Funded)	
	31.03.2015	31.03.2014
A. Expense recognised during year ended 31.03.2015		
1. Current Service cost	7,87,596	5,06,502
2. Interest Cost	7,21,804	6,49,811
3. Expected return on plan assets	-62,623	-2,02,707
4. Actuarial Losses / (Gains) during the year	64,23,691	-6,09,342
5. Direct payment/Past service cost vested benefits	-	-
6. Total Expense	78,70,468	3,44,264
B. Actual return on Plan assets		
1. Expected return on plan assets	62,623	2,02,707
2. Actuarial (Loss) / Gain on Plan assets	-34,663	66,098
3. Actual return on plan assets	27,960	2,68,805
C. Net Asset / (Liability) recognised in the Balance Sheet		
1. Present value of the obligation as on 31.03.2015	1,39,10,128	71,95,602
2. Fair value of plan assets as on 31.03.2015	2,18,156	12,01,423
3. Funded status (surplus(deficit))	-1,36,91,972	-59,94,179
4. Unrecognised past service cost	-	-
5. Net Asset/(Liability) recognised in the Balance sheet	-1,36,91,972	-59,94,179
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, 2014	98,52,114	92,66,527
2. Current service cost	7,87,596	5,06,502
3. Interest cost	7,21,804	6,49,811
4. Benefits paid	-38,40,414	-26,83,994
5. Actuarial (gain) / loss on obligation	63,89,028	-5,43,244
6. Present value of obligation as at March 31,2015	1,39,10,128	71,95,602
E. Change in Assets during the year ended March 31, 2015		
1. Fair value of plan assets as at April 1, 2014	12,01,423	35,71,987
2. Expected return on plan assets	62,623	2,02,707
3. Contributions made	12,54,479	44,625
4. Benefits paid	-22,65,706	-26,39,369
5. Direct Benefit Payments	-	-44,625
6. Actuarial gain / (loss) on plan assets	-34,663	66,098
7. Fair value of plan assets as at March 31, 2015	2,18,156	12,01,423



**NOTE FORMING PART OF FINANCIAL STATEMENT
FOR THE YEAR ENDED 31.03.2015 (Contd....)**

Particulars	Gratuity (Funded)	
	31.03.2015	31.03.2014
F. Major categories of plan assets as a percentage of total plan		
Qualifying insurance policies	728	9,83,995
Own plan assets	2,17,428	2,17,428
Total	2,18,156	12,01,423
G. Actuarial Assumptions		
1. Discount rate	7.80%	9.10%
2. Salary escalation	7.00%	5.00%
3. Expected rate of return on plan assets	9.00%	9.00%
4. Attrition rate	10%	2.00%

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 31.03.2015 has been made in the financial statements based on information received and available with the company.

	31/03/2015	31/03/2014
	₹ in lakhs	
a) The Principal amount due there on remaining unpaid to any supplier as at the end of each accounting year	2.90	8.38
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



NOTE FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31.03.2015 (Contd....)

10. Earnings Per Share

(Rs. In lakhs)

	31.03.2015	31.03.2014
Profit for the year as per Profit and Loss account	-19.41	49.03
Less : Taxes	-202.78	-29.90
Profit After Tax	183.37	78.93
Less : Dividend for Preference Shares	-	-
Balance for Equity Shares	183.37	78.93
Number of Shares	50,71,900	50,71,900
EPS / Diluted EPS	3.62	1.56

11. Figures have been rounded off to ₹ in Lakhs and previous year figures have been regrouped/rearranged wherever necessary. Previous year figures are not comparable in view of amalgamation of subsidiary company in the current year.

As per our report attached
For **N.R. DORAISWAMI & CO**
Chartered Accountants
(Firm Registration No. 000771S)
(Sd/-) SUGUNA RAVICHANDRAN
Partner, (Membership No.207893)

Coimbatore
10.08.2015

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

(Sd/-) J. ANAND
Managing Director

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

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

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2015**

	Year ended March, 2015	Year ended March, 2014
	₹ In lakhs	
A. Cash Flow from Operating Activities		
Net Profit Before Tax and extra ordinary item	-19.41	49.03
Adjustments for :		
Depreciation	992.42	452.86
Interest paid	230.81	58.53
Profit on sale of Investments/Assets	-925.15	-16.70
Interest/Dividend Income	-20.51	-2.01
Operating Profit before working capital changes	258.16	541.71
(Increase)/Decrease in Trade and Other Receivables	-1,335.56	35.93
Increase/(Decrease) in Payables	1,968.93	-118.44
Decrease/(Increase) in Inventories	81.51	-78.51
Cash generated from operations	973.04	380.69
Direct Taxes paid	-105.80	-22.18
Cash flow before extra ordinary items	867.24	358.51
Net Cash from Operating Activities	867.24	358.51
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	-3,925.53	-191.60
Sale of Fixed Assets	1,306.98	19.21
Sale of Investments	1,705.78	—
Interest received	19.96	2.07
Dividend Received	0.55	0.44
Net cash used for Investing Activities	-892.26	-169.88
C. Cash flow from Financing Activities		
Increase /(Repayment) of Long Term borrowings	944.28	-167.00
Dividends paid	-1.93	-1.88
Interest paid	-230.80	-87.58
Net cash from financing activities	711.55	-256.46
Net Increase in cash and cash equivalents	686.53	-67.83
Cash and Cash equivalents as at 31.3.2014	30.79	98.62
Cash and Cash equivalents as at 31.3.2015	717.32	30.79

Coimbatore
10.08.2015

As per our report attached
For **N.R. DORAISWAMI & CO**
Chartered Accountants
(Firm Registration No. 000771S)
(Sd/-) SUGUNA RAVICHANDRAN
Partner, (Membership No.207893)

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

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

(Sd/-) J. ANAND
Managing Director

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

FORM NO. MGT-11

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

PROXY FORM

CIN : CIN L29191TZ1974PLC000705
Name of the Company : VEEJAY LAKSHMI ENGINEERING WORKS LTD
Registered Office : Sengalipalayam, NGGO Colony Post, Coimbatore-641 022

Name of the Shareholder	:	
Registered Address	:	
E-mail ID	:	
Folio No. / Client ID	:	
DP ID	:	

I / we, being the shareholder(s) of shares of the above named company, hereby appoint

1. Name :
Address :
E-mail ID :
Signature : _____ or failing him
2. Name :
Address :
E-mail ID :
Signature : _____ or failing him
3. Name :
Address :
E-mail ID :
Signature : _____ or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 40th Annual General Meeting of the company, to be held on Wednesday the 30th September, 2015 at 10.00 am at "Nani Kalai Arangam", Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore-641037 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No. ()

Signed this ____ day of _____ 2015.

(Affix Revenue Stamp)

Signature of Shareholder :

Signature of Proxy holder(s) :

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

