

#### **BOARD OF DIRECTORS**

Sri V.J.JAYARAMAN

Chairman cum Managing Director

Sri N. M. ANANTHAPADMANABHAN

Sri B. SELVARAJAN

Sri N. ATHIMOOLAM NAIDU

Sri J. VIJAYAKUMAR

Sri J. ANAND

Managing Director

Sri. B. SRIRAM

Sri. D. RANGANATHAN

Whole Time Director (Finance & Mktg)

#### **REGISTERED OFFICE**

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

#### **AUDITOR**

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

#### **REGISTRAR & SECURITY 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

#### WIND MILLS

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

#### Wholly-owned Subsidiary Company:

#### VEEJAY LAKSHMI TEXTILES LIMITED

**Registered Office** 

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



#### NOTICE OF THE THIRTY SIXTH ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty-Sixth Annual General Meeting of the Company will be held on Thursday, the 15th September, 2011 at 10.45 A.M at Nani Palkhivala Auditorium, Mani Higher Secondary School Premises, Pappanaickenpalayam, Coimbatore - 641 037 to transact the following business. We request you to attend the meeting.

#### **ORDINARY BUSINESS**

- To consider and adopt the Audited Accounts of the Company for the year ended 31st March 2011, the Report of the Board of Directors to the shareholders and the Report of the Auditors of the Company.
- 2. To declare a dividend.
- 3. To appoint a Director in place of Sri. J. Vijayakumar, who retires by rotation, and being eligible offers himself for re-appointment.
- 4. To appoint a Director in place of Sri. N.M. Ananthapadmanabhan, who retires by rotation, and being eligible offers himself for re-appointment.
- 5. To appoint a Director in place of Sri. B. Sriram, who retires by rotation, and being eligible offers himself for re-appointment.
- 6. To appoint an Auditor or Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix the remuneration payable to them.

#### SPECIAL BUSINESS:

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a special resolution.

"RESOLVED that pursuant to provisions of section 314 and other applicable provisions, if any of the Companies Act, 1956, consent of the Company be and is hereby accorded to Smt. Arthi Anand, relative of the Managing Directors of the Company, to hold office or place of profit with a remuneration of Rs. 80,000/- per month in the time scale of Rs.80,000-20,000-1,80,000 with the authority to the Board of Directors to revise the salary from time to time. Smt. Arthi Anand is also eligible for all other allowances and perquisites as applicable to other employees of the Company."

#### Explanatory statements pursuant to section 173(2) of the Companies Act, 1956

Smt. Arthi Anand, related to the Managing Directors, is in the employment of the Company. The approval given by the members was valid till 21.9.2010. The Board of Directors in their meeting held on 27.10.2010 have approved to extend the employment of Smt. Arthi Anand in the existing scale of pay, subject to approval of members in general meeting. Hence, the Board of Directors recommends this resolution for approval of the members.

None of the Directors of the Company is, in any way, concerned or interested in the resolution except Sri. V.J. Jayaraman and Sri. J. Anand.

#### NOTES:

1. Every member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. Such proxy need not be a member of the Company.



- 2. The proxy form duly filled in and stamped has to be delivered to the Company not later than 48 hours before the time of holding the aforesaid meeting. Where a Body Corporate is a member of the Company, the resolution passed by the Board of Directors authorizing the representative to attend the meeting shall be forwarded to the company duly certified in advance.
- 3. Re-appointment of Directors:
  - At the ensuing Annual General Meeting Sri. J. Vijayakumar, Sri N.M. Ananthapadmanabhan and Sri B. Sriram, Directors retire by rotation and being eligible, offer themselves for re-appointment. The details pertaining to these Directors as required to be provided in terms of Clause 49 of the Listing Agreement are furnished in the Report on Corporate Governance published in this Annual Report.
- 4. Members are requested to intimate their change of address, if any, to the Company's Registrars and Security Transfer Agents, M/s. S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor, 1391 / A-1, Sathy Road, Ganapathy, Coimbatore - 641 006, quoting their respective folio numbers.
- 5. The Register of Members and Share Transfer Books of the Company will remain closed from 07.9.2011 to 15.9.2011 (Both days inclusive)
- 6. Pursuant to Section 205-A of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 1999 all unclaimed dividends shall be transferred to the "Investor Education and Protection Fund" of the Central Government after a period of seven years from the date of declaration. Shareholders who have not encashed the dividend warrants for the years 2003-04 to 2007-08 are requested to write to M/s. S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor, 1391 / A-1, Sathy Road, Ganapathy, Coimbatore 641 006, quoting their respective folio numbers.
- 7. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
- 8. The Ministry of Corporate Affairs ("MCA"), Government of India, has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by serving the documents viz. Notices for general meetings, Financial Statements, Annual Reports etc. through electronic mode, for which the Company has to obtain e-mail addresses of its members. To take part in the above Green Initiative, we propose to send the above documents in electronic form to the e-mail addresses of the members. In order to serve the documents in electronic mode, Members holding shares in physical form are requested to communicate their e-mail address quoting their folio numbers to our Registrars and Share Transfer Agents. Similarly members holding shares in Demat form, shall intimate their e-mail address to their respective Depository Participants at the earliest.
- 9. Any member who needs any clarification on accounts or operations of the Company shall write to the Company, so as to reach at least 7 days before the meeting, so that the information required can be made available at the meeting.

By Order of the Board

Coimbatore 30<sup>th</sup> May, 2011 (Sd/-) V.J. Jayaraman Chairman cum Managing Director



#### DIRECTORS' REPORT TO THE SHARE HOLDERS

Ladies and Gentlemen.

Your Directors have pleasure in presenting their report and accounts for the year ended 31st March 2011.

#### FINANCIAL RESULTS

	2010-11	2009-10
	Rs.	Rs.
Sales Turnover	1,00,48,39,731	71,89,47,144
Profit before Depreciation and taxes	12,93,39,076	7,16,67,233
Depreciation	5,23,62,892	4,59,27,830
Net Profit	7,69,76,184	2,57,39,403
Balance brought forward from Profit and Loss Account	8,19,96,851	6,45,66,048
Amount available for appropriation	15,89,73,035	9,03,05,451
APPROPRIATIONS / ADJUSTMENTS		
Provision for Taxes - Current Year	1,27,00,000	
- Deferred Tax	69,94,900	83,08,600
Prior year Taxes	1,04,17,105	_
Provision for Dividends	76,07,850	
Dividend Distribution Tax	12,34,183	
Transfer to General Reserves	23,43,000	
Balance carried forward to Profit and Loss Account	11,76,75,997	8,19,96,851
Total	15,89,73,035	9,03,05,451

#### **PROFITS / DIVIDENDS**

The workings during the year 2010-11 has resulted in a Profit before tax of Rs. 770 Lakhs as against Rs. 257 Lakhs in the previous year. The increase in profit is due to increase in the sales. As the Company has made profits, the Board of Directors is recommending a dividend of Rs.1.50 per share.

#### **OPERATIONS**

The increase in sales turnover is mainly due to increase in the sale of Automatic Cone Winders. The income from the Wind Mills is Rs.141 lakhs as against Rs.158 lakhs in the previous year. The total revenue from sales and other income during the year is Rs.10054 lakhs as against Rs.7290 lakhs in the previous year.

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#### SUBSIDIARY COMPANY

The details of the financial position of the subsidiary is given in the schedule to accounts and the audited consolidated financial statements including the accounts of the subsidiary company are also attached to this Annual report.

#### **FINANCE**

The Technology Development Board has disbursed, during the year, the second instalment of Rs.200 lakhs out of the term loan of Rs.830 lakhs sanctioned for financing the project for development of a new generation of automatic cone winder. The project has been completed and since there is a reduction in the capital expenditure involved in the project, the Company has decided not to avail the balance loan amount of Rs.80 lakhs.

With an increase in the non-fund based limit of Rs.500 lakhs from Bank of Baroda and an additional fund based limit of Rs.500 lakhs from Indian Overseas Bank, both the fund based and non fund based limits have gone up from Rs.1500 lakhs to Rs.2000 lakhs. The increased limits will be used for the additional working capital requirements of the Company.

#### R&D

The focus is on developing new models and new products. A commercial prototype of the new model of Automatic Cone Winder developed has been extensively tested and is now working in the textile unit of the subsidiary.

#### 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 fixed deposits from public. The Company has an amount of Rs.340 lakhs as unsecured loans from Directors. There are no overdue/unclaimed deposits as at 31.3.2011.

#### LISTING

The Company's securities are presently listed with the Stock Exchange at Mumbai.

#### **DEPOSITORIES**

The Company has signed agreements with National Securities Depository Limited and Central Depository Services (India) Limited and the shares of the Company are now traded in demat form.

#### **DIRECTORATE**

Sri. J. Vijayakumar, Sri N.M. Ananthapadmanabhan and Sri B. Sriram are Directors retiring by rotation at the ensuing Annual General Meeting and being eligible they offer themselves for re-appointment. The profile of the Directors to be appointed/reappointed in the ensuing Annual General Meeting is given in the Annexure to this report.

The details of remuneration paid to the Directors have been given in the Schedules forming part of the Accounts for the year-ended 31.3.2011. None of the Non-Executive Independent Directors have any pecuniary relationship with the Company.

#### **AUDITORS**

The Company's Auditors, M/s. N.R. Doraiswami & Co will retire at the ensuing Annual General Meeting. They are eligible for re-appointment.



#### INFORMATION IN ACCORDANCE WITH SECTION 217 OF THE COMPANIES ACT, 1956

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

#### OTHER INFORMATION

As required under the listing agreement with the Stock Exchange, Management Discussion and Analysis Report, Corporate Governance Report, Segmental Reporting and Related Party Disclosures have been made part of this Annual Report.

#### **DIRECTOR'S RESPONSIBILITY STATEMENT**

Your Directors wish to state

- that the appropriate accounting standards have been followed in the preparation of the annual accounts
- that your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and also of Profit and Loss Account of the Company for the year ended 31st March 2011
- 3. that your Directors have taken proper care for the maintenance of adequate accounting records for the purpose of safeguarding the assets of the Company and for preventing fraud and other irregularities.
- 4. that your Directors have prepared the annual accounts on a going concern basis.

#### **ACKNOWLEDGEMENT**

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

By Order of the Board

Coimbatore 30<sup>th</sup> May, 2011

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



#### ANNEXURE TO DIRECTORS' REPORT

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

FORM A

#### A) CONSERVATION OF ENERGY

Not applicable -

FORM B

#### **B) TECHNOLOGY ABSORPTION**

#### I. Research & Development

1. Specific areas in which R & D is carried out by the Company:

The Company continues its efforts for development of existing products and new models.

2. Benefit derived as a result of the above R & D:

The performance of the machines has been improved and new products/models are developed to widen the application. Components are indigenised to reduce the import content.

3. Future Plan of Action:

The Company will continue its R & D efforts for up-gradation of product quality and manufacturing process, indigenisation of components for import substitution and development of new models

- 4. Expenditure on R & D:
  - a) Capital Rs. Nil (Previous Year : Nil)
  - b) Recurring Salaries, power charges and other expenses Rs.117.65 Lakhs (Previous Year: Rs.82.49 Lakhs)
  - c) Total R & D expenditure Rs.117.65 lakhs (Previous Year: Rs.82.49 Lakhs)
  - d) Total R & D expenditure as a percentage of turnover: 1.17% (Previous Year 1.15%)

#### II. Technology Absorption, Adaptation and Innovation:

1. Efforts in brief, made towards technology absorption, adaptation and innovation.

The Company has been able to develop a major portion of the components indigenously and keep down the cost of production.

2. Benefits derived as a result of the above efforts:

The Company is able to offer sophisticated machines of latest technology at competitive prices in India.

3. Details of Technology imported during the last 5 years: Nil

a) Technology Imported

b) Year of Import

c) Has technology been fully absorbed

d) If not fully absorbed, area where this has not taken place, reasons therefor and future plans of action

Not

Applicable



C.	FOREIGN EXCHANGE EARNINGS AND OUTGO		Rs. In Lakhs
	TOTAL FOREIGN EXCHANGE EARNED	31.3.2011	31.3.2010
	Sale of Machinery & Spares	640	376
	TOTAL FOREIGN EXCHANGE USED		Rs. In Lakhs
	Capital Goods imported-CIF	42	207
	Raw materials, Components, Spares and Consumables imported-CIF	2729	1874
	Other matters-Travelling, books and periodicals, interest, etc.	28	21
	Total	2799	2102
	Deemed Exports (Supplies to EOUs, EPCG Licence Holders, etc	2827	3669

## PROFILE OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

Name of the Director	Sri. J. Vijayakumar	
Date of birth	09.12.1952	
Date of appointment	03.09.1990	
Expertise in specific functional area	Management (Textiles)	
Qualification	B.Com., B.S., M.B.A	
List of Outside Directorship		
	1. M/s. Veejay Tool & Die Pvt. Ltd	
	2. M/s. Veejay Terry Products Ltd	
	3. M/s. Magna Electro Castings Ltd	
	4. M/s. Ranba Castings Ltd	
Membership in Committees		
a. Audit committee	M/s. Magna Electro Castings Ltd	
b. Shareholders' committee	M/s. Magna Electro Castings Ltd	
c. Remuneration committee	Nil	
d. Share transfer committee	1. M/s. Veejay Lakshmi Engg Works Ltd	
	2. M/s. Veejay Terry Products Ltd	



Name of the Director	Sri. N.M. Ananthapadmanabhan	
Date of birth	10.03.1935	
Date of appointment	29.10.2001	
Expertise in specific functional area	General Management (Textiles)	
Qualification	B.Com (Hons)	
List of Outside Directorship		
	M/s. Veejay Lakshmi Textiles Ltd	
Membership in Committees		
a. Audit committee	M/s. Veejay Lakshmi Engg. Works Ltd - Chairman	
	2. M/s. Veejay Lakshmi Textiles Ltd - Chairman	
o. Shareholders' committee	M/s. Veejay Lakshmi Engg. Works Ltd - Chairmar	
c. Remuneration committee	M/s. Veejay Lakshmi Engg. Works Ltd - Chairmar	
d. Share transfer committee	Nil	
Name of the Director	Sri. B. Sriram	
Date of birth	08.12.1970	
Date of appointment	29.01.2001	
Expertise in specific functional area	Management (Industrial Engineering)	
Qualification	B.E. Mechanical	
List of Outside Directorship		
	M/s. Veejay Lakshmi Textiles Ltd	
	M/s. Prathishta Weaving &     Knitting Company Ltd	
Membership in committees		
a. Audit committee	M/s. Veejay Lakshmi Engg. Works Ltd -     Member	
	2. M/s. Veejay Lakshmi Textiles Ltd - Member	
b. Shareholders' committee	Nil	
c. Remuneration committee	Nil	
d. Share transfer committee	Nil	



#### ANNEXURE TO DIRECTORS' REPORT - CORPORATE GOVERNANCE

#### (1) Company's Philosophy

The Company believes in good Corporate Governance with transparency, professionalism and accountability.

#### (2) Board of Directors

The names of Directors, their attendance at the Board Meetings during the year and at the last Annual General Meeting and also details of other directorships/membership of committees are given below. During the period April 1, 2010 to March 31, 2011 five Board Meetings were held on the following dates 27.05.2010, 30.07.2010, 27.10.2010, 24.01.2011 and 17.03.2011.

Name of Director	Category	No. of Board Meetings	Attendance at last		Committee Membership	
	Directorship	attended	AGM	Directorships	Member	Chairman
Sri. V.J.Jayaraman	CMD	5	Yes	5	2	1
Sri. J.Anand	MD	4	Yes	3	1	None
Sri. J.Vijayakumar	NED	4	Yes	4	4	None
Sri. B.Selvarajan	NEID	Nil	Yes	3	3	None
Sri. N. Athimoolam Naidu	NEID	2	No	3	1	None
Sri. B.Sriram	NEID	4	Yes	2	2	None
Sri.N.M.Ananthapadmanabhan	NEID	4	Yes	1	_	4
Sri. D.Ranganathan	WTD	5	Yes	2	1	None

CMD - Chairman Cum Managing Director, MD-Managing Director, NED - Non-Executive Director,

NEID - Non Executive Independent Director, WTD- Whole Time Director

#### (3) Audit Committee

#### A. Terms of reference

- a) To oversee the Company's financial reporting process and disclosure of financial information.
- b) To review and discuss with the Auditors about internal control systems, the scope of audit including the observations of the Auditors.
- Adequacy of the internal audit function, review of major accounting policies, and of accounting standards
- d) To review the quarterly, half yearly and annual financial statements before submission to the Board of Directors

#### B. Composition

The Audit Committee of the Board was formed in January 2001 and comprises of three Non-Executive independent Directors. The Committee met four times during the year and the attendance details are furnished below.

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lame of Member Status		No of Meetings Attended
Sri. B.Sriram	Member	4
Sri. B.Selvarajan	Member	2
Sri. N.M. Ananthapadmanabhan	Chairman	4

All the members are independent directors.

#### (4) Remuneration Committee

#### (A) Terms of reference

The Remuneration Committee of the Board was formed in October 2003 and comprises of the following Directors as at 31.3.2011.

Name of Member	Status
Sri. N.M.Ananthapadmanabhan	Chairman
Sri. B.Selvarajan	Member

#### (B) Details of remuneration for the year 2010-11

#### (a) Managing/Whole-time Directors

Name		Salary & perquisites in Rs.
Sri V.J. Jayaraman	Chairman cum Managing Director	44461
Sri J. Anand	Managing Director	3411911
Sri. D. Ranganathan	Whole Time Director (Finance & Marketing)	1040256
Total		4496628

#### (b) Non-Executive Directors

Name of the Director	Sitting Fees paid in Rs.	Commission
Sri. J.Vijayakumar	10000	Nil
Sri. B.Selvarajan	3000	Nil
Sri. N. Athimoolam Naidu	5000	Nil
Sri. B.Sriram	16000	Nil
Sri. N.M.Ananthapadmanabhan	16000	Nil
Total	50000	Nil



#### (5) Shareholders' Committee

Sri. N.M.Ananthapadmanabhan and Sri N. Athimoolam Naidu are the members of the Shareholders' Committee. The Committee is headed by Sri.N.M.Ananthapadmanabhan, a Non-Executive and Independent Director.

During the year 2010-11 no complaints were received from shareholders and Investors.

All valid requests for share transfer received during 2010-11 have been acted upon by the Registrars and Security Transfer Agents of the company i.e. M/s. SKDC Consultants Limited.

M/s SKDC Consultants Limited has been vested with the powers for all share transfers.

#### (6) General Body Meetings

The last three Annual General Meetings were held as under.

Financial Year	Date	Time	Location
2009-10	29.09.2010	10.00 AM	Nani Palkhivala Auditorium, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 37.
2008-09	24.09.2009	10.00 AM	-Do-
2007-08	24.09.2008	10.00 AM	-Do-

During the last three Annual General Meetings,

2007-2008: No special resolutions or matters requiring postal balloting were considered.

2008-2009: Special Resolutions were passed for re-appointment of Sri V.J. Jayaraman as

Chairman and Managing Director and for amendment of the Articles of Association

to have a provision for buy back of shares.

2009-2010 : Special Resolutions were passed for re-appointments of Sri J. Anand, Managing

Director and Sri D. Ranganathan Whole-time Director.

No matters requiring postal balloting are placed for shareholders approval at this meeting. Special resolution is proposed for extension of employment and remuneration payable to Smt Arthi Anand, who is related to the Managing Directors of the Company.

#### (7) Disclosures

- During the year, there were no transactions of material nature with the Directors or the management or their subsidiaries or relatives that had potential conflict with the interest of the Company.
- 2. There were no instances of non-compliance on any matter related to the capital markets, during the last three years.

#### (8) Means of Communication

a) Quarterly as well as annual audited results are published in prominent daily newspapers viz. 'The Hindu,' 'Business Line' and 'Daily Thanthi.'



- b) The annual results are made available on the website of the Company www.veejaylakshmi.com
- c) Official news releases are made whenever it is considered necessary.

#### (9) MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A report is enclosed which forms part of this Annual Report.

#### (10) General Information for Shareholders:

 Annual General Meeting is proposed to be held at 10.45 AM on Thursday, the 15th September 2011 at Nani Palkhivala Auditorium, Mani Higher Secondary School Premises, Coimbatore - 641 037

2. Financial calendar

Annual results of previous year

Annual General Meeting

First quarter results

Second quarter/half yearly results

Third quarter results

3. Date of Book Closure

4. Listing on Stock Exchanges

5. Stock Code

2011-12

30th May, 2011

15th September, 2011

Within 45 days

from the end of the

quarter

7.9.2011 to 15.9.2011

Bombay Stock Exchange

522267 (BSE)

#### 6. Stock Market price data for the year 2010-11.

The high & low prices during each month in last financial year in Bombay Stock Exchange are given below.

Date	High (Rs.)	Low (Rs.)
April 2010	61.50	43.05
May 2010	59.80	41.00
June 2010	69.00	44.00
July 2010	69.70	57.00
August 2010	68.00	55.00
September 2010	78.00	56.00
October 2010	81.45	66.10
November 2010	86.80	59.40
December 2010	81.70	62.00
January 2011	82.85	58.40
February 2011	62.90	45.10
March 2011	60.10	45.50



#### 7. Registrars & Security Transfer/Demat Agents:

Company's share transfer work and dematerialization of shares is done by M/s. S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006.

#### 8. Share Transfer System.

The share transfers are registered and returned within a period of 30 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.

#### 9. Distribution of shareholding as on 31st March 2011

No. of Shares	No. of Shareholders	% of Shareholders	Shareholding in Rs.	% of Shareholding
Up to 500	6788	93.30	8298200	16.35
501 - 1000	254	3.49	2066900	4.08
1001 - 2000	114	1.57	1698440	3.35
2001 - 3000	39	0.54	976390	1.93
3001 - 4000	25	0.34	886520	1.75
4001 - 5000	7	0.10	340220	0.67
5001- 10000	24	0.33	1807890	3.56
10001 and above	24	0.33	34644440	68.31
Total	7275	100.00	50719000	100.00

#### 10. Categories of Shareholders as on 31st March, 2011

Category	No. of Shares Held	% of Shareholding
Promoter Holding		
Promoter Holding- Indian Promoter	3068492	60.50
Public Share Holding		
2. Mutual Funds and UTI	200	0.01
3. Banks, Fin. Institutions, Insurance		
Companies, Govt. Companies	600	0.01
4. FII's	_	_
Others		
5. Directors & Relatives *	73040	1.44
6. Private Corporate Bodies	272129	5.37
7. Indian Public	1630726	32.14
8. NRI's/OCB's	26713	0.53
Total	5071900	100.00

<sup>\*</sup> Inclusive of 67840 shares held by a NRI Director



#### 11. Dematerialisation of Shares:

As on 31st March 2011, 37.49% of the Company's total shares representing 19,01,286 shares were held in dematerialized form and the balance 31,70,614 shares representing 62.51 % of the Company's total shares were in physical form.

#### 12. Secretarial Audit Report:

The Secretarial Audit Report of the Company prepared in terms of SEBI Circular No. D&CC/FITTC/CIR 16/2002 dated: 31.12.2002 reconciling the total shares held in both the depositories viz., NSDL and CDSL and in physical form with the total issued/paid up capital of the Company is placed before the Board of Directors and duly submitted to the Stock Exchange for every quarter.

#### 13. CEO/CFO CERTIFICATION:

The Company has laid down a code of conduct for all Board Members and Senior Management Personnel of the Company. The code of conduct is available on the website of the company.

#### DECLARATION

As provided under clause 49 of the Listing Agreement with the Stock Exchange, all Board members and Senior Management Personnel have affirmed compliance with Veejay Lakshmi Engineering Works Limited Code of Conduct for the year ended 31st March 2011.

Coimbatore Sd/- J. Anand 30.5.2011 Managing Director

The Managing Director (CEO) and the Whole Time Director (Finance & Marketing) (CFO) of the Company have certified to the Board with regard to the financial statements and other matters, as required under Clause 49 (VIII) of the Listing Agreement.

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

Not Applicable.

- 15. Plant Location: The Company's plants are located as under.
  - Engg. Unit I : Sengalipalayam, Coimbatore 641 022.
     Engg. Units II & III : Kariyampalayam, Coimbatore 641 653.
  - 3. Engg. Unit IV : Athippalayam Road, Vellamadai (P.O), Coimbatore 641 110
  - 4. Wind Mills : 1 Kethanur, Palladam, Coimbatore- 638 671,
    - 2. Sinjuwadi, Pollachi, Coimbatore- 642 007 and
    - 3. Irukkanthurai, Radhapuram, Tirunelveli. 627 011

#### 16. Addresses for Correspondence.

The Company's registered office is situated at Sengalipalayam, N.G.G.O Colony P.O, Coimbatore - 641 022. Shareholders' correspondence should be addressed to M/s. S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor, 1391 / A-1, Sathy Road, Ganapathy, Coimbatore - 641 006, quoting their respective folio numbers.



### CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

We have examined the compliance of conditions of Corporate Governance by M/s. Veejay Lakshmi Engineering Works Limited for the year ended 31st March, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement with the Stock Exchanges for the year ended 31st March. 2011.

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

We further state that our examination of such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

As per our report attached

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

Coimbatore 30.05.2011

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



#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### INTRODUCTION

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

#### INDUSTRIAL SCENARIO

Indian Textile engineering industry is more than 50 years old and one of the largest capital goods segments in India and has potential for growth. The prospects of the industry are directly related to the prospect of the user textile industry. The industry, which was working under protective environment for a long time has been dependant on foreign technical know-how. With the opening of economy and removal of all controls the local industry has been exposed to competition and is under compulsion to update its technology with improvement in quality and prompt after-sales service. The industry is suffering with low capacity utilisation mainly due to imports and fluctuation in demand. The textile industry is now affected by abnormal increase in cotton prices and increase in the cost of power and also in adequate power supply particularly for mills in Tamilnadu. This will have an impact on the prospects of the Company.

#### HIGHLIGHTS OF OPERATIONS:

#### SEGMENTWISE/PRODUCTWISE PERFORMANCE

The increase in the turnover has been mainly contributed by increase in the sale of automatic cone winders from 54 machines of value Rs.3376 lakhs in 2009-10 to 91 machines of value Rs.6137 Lakhs in 2010-11. There is no significant change in the sale of Twisters from 185 machines of value Rs.2719 Lakhs to 170 machines of value Rs.2768 Lakhs. Assembly winders sales has increased from Rs.48 Lakhs to Rs.75 lakhs. The facilities available to produce Aluminium die cast and Plastic injection moulded components have been used for in-house requirement of components.

The income from windmills is Rs.141 lakhs as against Rs.158 lakhs in the previous year. There is some delay in getting carbon credits and no income has been received on this account during the current year.

#### **RISKS & CONCERNS:**

Vagaries in the price of raw materials particularly abnormal increase in cotton prices, fluctuation in exchange rates, un remunerative prices on end products are affecting the performance of the Textile Industry and this will have a direct impact on the demand for the Textile Machinery. The competition from foreign manufacturers and inability to keep pace with the technological advancement of the competitors will also affect the Company's position in the market.

#### **OUTLOOK**

Even though cotton prices have gone up, the price in India is still lower than other competing nations and hence Indian textile industry will still have an advantage in the export market and there may not

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be any significant fall in the investments in capital equipments. Manufacturers offering machines of latest technology at competitive prices will take major share in the market.

Automatic cone Winders will have good demand both for expansion in spinning industry and also for replacement/modernization of manual winders. The Company can increase its sales volume and market share if it can offer new models with latest technology. The market share for the Twisters has come down due to reduced demand and also competition. If new models are developed with substantial savings in power, there will be good prospects for replacement of existing twisting machines. The Company's efforts will be focused on the above.

#### INTERNAL CONTROL SYSTEM AND ADEQUACY

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

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

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

The Company is also in the process of implementing a latest ERP system

#### MATERIAL DEVELOPMENTS IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS

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

#### **CAUTIONARY STATEMENT**

Statements in this report on management discussion and analysis describing the Company's future objectives, projections, estimate and expectations may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events, as they are perceived by the management at this juncture.

The actual results, however, may differ materially from those which have been made explicit or which are implied. The major factors that could make a difference to the Company's operations include the supply demand condition of the Company's products, both domestic and global, the price realizations, which are market related, and all other factors such as litigation and industrial relations.

The Company assumes no responsibility in respect of forward-looking statements, which may undergo substantial revisions in future on the basis of unforeseen subsequent developments and/or events.

By Order of the Board

Coimbatore 30.5.2011

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



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

- 1. We have audited the attached Balance Sheet of M/s. Veejay Lakshmi Engineering Works Limited, as at 31st March, 2011 the Profit and Loss Account and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3. As required by the Companies (Auditors' Report) Amendment Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
- 4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit:
  - ii. In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of such books;
  - iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account:
  - iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act. 1956:
  - v. On the basis of written representations received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India read with the significant accounting policies and other notes thereon,
    - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
    - b) in the case of Profit and Loss Account, of the Profit for the year ended on that date; and
    - c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

Coimbatore 30.05.2011

(Sd/-) SUGUNA RAVICHANDRAN

(Membership No. 207893)

Partner



#### ANNEXURE TO AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date to the members of M/s. Veejay Lakshmi Engineering Works Limited)

- i) a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
  - b) The fixed assets of the company have been physically verified during the year by the management and no material discrepancies between the book records and the physical inventory have been noticed.
  - c) No substantial part of fixed assets of the company has been disposed off during the year.
- ii) a) The inventories of the company at all its locations have been physically verified by the management during the year.
  - b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
  - c) The company has maintained proper records of inventories and the discrepancies between the physical inventories and the book records which have been properly dealt with in the books of account were not material
- iii) In respect of loans, secured or unsecured, granted or taken by the Company to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, according to the information and explanations given to us:
  - a) The Company had taken loans from 4 parties. The maximum amount involved during the year was Rs. 626.70 lakhs and the year end balance of loans taken from such parties was Rs. 308.69 lakhs.
  - b) In our opinion the rate of interest and other terms and conditions on which loans have been taken from parties listed in the registers maintained under section 301 are not, prima facie, prejudicial to the interest of the Company.
  - c) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
  - d) There is no overdue amount of loans taken from parties listed in the registers maintained under section 301 of the Companies Act, 1956. The repayment of the principal amount is as per the agreed terms.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any major weakness in internal controls.
- v) In respect of contracts and arrangements entered in the register maintained in pursuance of section 301 of the Companies Act, 1956:
  - a) To the best of our knowledge and belief and according to the information and explanations given to us, contracts and arrangements that needed to be entered into the register have been so entered.
  - b) In our opinion and according to the information and explanations given to us, the transactions in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 5.00 lakhs or more in respect of any party have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) Based on our scrutiny of the Company's records and according to the information and explanation provided by the management, the company has not accepted any deposits from the public and hence the provisions of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable
- vii) In our opinion, the company's present internal audit system is commensurate with its size and nature of its business.
- viii) As explained to us, no order for the maintenance of cost records under section 209(1) (d) of the Act has been made by the Central Government for any of the products of the Company.



- ix) According to the information and explanations given to us in respect of statutory and other dues:
  - a) the Company has been regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, wealth tax, sales tax, service tax, customs duty, excise duty and cess.
  - b) according to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, service tax, customs duty and excise duty were outstanding as at 31st March, 2011 for a period of more than six months from the date they became payable.
  - c) at the end of the financial year there were no dues of Sales Tax, Income Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute except as follows:-

Name of the Statute	Nature of the Dues	Amount Rs. in Lakhs	Forum where dispute is pending
Income Tax Act 1961	Income Tax (AY 2007-08)	88.55	Commissioner of Income Tax (Appeals)
Central Excise Act 1944	Cenvat Credit	9.72	Customs, Central Excise and Service Tax Appellate Tribunal

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

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

(Sd/-) SUGUNA RAVICHANDRAN

Partner

(Membership No. 207893)

Coimbatore 30.05.2011



#### **BALANCE SHEET AS AT 31ST MARCH 2011**

			Schedule No.	As at 31st March 2011 Rs.	As at 31stMarch2010 Rs.
I.	so	OURCES OF FUNDS			
	1.	Shareholders' Funds			
		A. Capital	1	50,719,000	50,719,000
		B. Reserves and Surplus	2	686,781,463	648,759,317
	2.	Loan Funds			
		A. Secured Loans	3	121,372,625	183,430,471
		B. Unsecured Loans	4	34,022,637	22,168,502
	3.	Deferred Tax Liability	5	34,272,000	27,277,100
		Total Funds employed		927,167,725	932,354,390
II.	AP	PLICATION OF FUNDS			
	1.	Fixed Assets	6		
		A. Gross Block		887,078,524	896,876,199
		B. Less Depreciation		526,881,963	497,523,773
		C. Net Block		360,196,561	399,352,426
	2.	Investments	7	241,985,482	241,985,482
	3.	<b>Current Assets, Loans and Advances</b>	8		
		A. Inventories		330,886,019	273,558,305
		B. Sundry Debtors		58,283,147	25,514,749
		C. Cash and Bank Balances		4,076,356	10,734,951
		D. Loans and Advances		121,425,709	192,610,885
				514,671,231	502,418,890
		Less : Current Liabilities and Provisions	9		
		A. Current Liabilities		167,079,651	184,323,578
		B. Provisions		22,605,898	27,078,830
				189,685,549	211,402,408
		Net Current Assets		324,985,682	291,016,482
		Total Application of Funds		927,167,725	932,354,390

Schedules 1 to 9 and notes on Schedule 17 form part of this Balance Sheet

As per our report attached For N.R. DORAISWAMI & CO Chartered Accountants (Sd/-) V.J. JAYARAMAN Chairman Cum Managing Director (Sd/-) J. ANAND Managing Director

(Firm Registration No. 000771S)

Coimbatore (Sd/-) SUGUNA RAVICHANDRAN

30.05.2011 Partner, (Membership No. 207893)

(Sd/-) D. RANGANATHAN
Whole Time Director (Finance & Mktg.)



#### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

			Schedule No.	Year ended 31st March 2011 Rs.	Year ended 31st March 2010 Rs.
ī	INC	COME			
	1.	Gross Sales	10	1,092,850,860	766,940,450
		Less : Excise Duty		88,011,129	47,993,306
		Net Sales		1,004,839,731	718,947,144
	2.	Increase/(Decrease) in Finished Goods	11	1,706,453	55,205
	3.	Other Income	12	573,812	10,092,732
		Total		1,007,119,996	729,095,081
II.	EX	PENDITURE			
	1.	Materials consumed	13	585,846,448	450,046,668
	2.	Payment to and Provision for employees	14	128,678,628	94,856,701
	3.	Other expenses	15	140,187,869	93,091,220
	4.	Finance Charges	16	23,067,975	19,433,259
	5.	Depreciation		52,362,892	45,927,830
		Total		930,143,812	703,355,678
III.	PR	OFIT			
	1.	Balance brought forward		81,996,851	64,566,048
	2.	Profit for the year		76,976,184	25,739,403
	An	nount available for appropriation		158,973,035	90,305,451
	Ар	propriations			
	1.	Tax for current year - Current Tax		12,700,000	_
		- Deferred Tax		6,994,900	8,308,600
	2.	Prior year Taxes		10,417,105	_
	3.	Transfer to General Reserve		2,343,000	_
	4.	Provision for Dividend		7,607,850	_
	5.	Dividend distribution tax		1,234,183	_
	4.	Balance Carried to the Balance Sheet		117,675,997	81,996,851
		Total		158,973,035	90,305,451
Earr	ning	per share (Face Value of Rs.10 per share)	17	9.24	3.44

Schedules 10 to 16 and notes on Schedule 17 form part of this Profit and Loss Account

As per our report attached
For N.R. DORAISWAMI & CO

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

Chartered Accountants
(Firm Registration No. 000771S)
(Sd/-) SUGUNA RAVICHANDRAN

(Sd/-) D. RANGANATHAN
Whole Time Director (Finance & Mktg.)

Coimbatore 30.05.2011

Partner, (Membership No. 207893)



#### SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2011

			A	A1
			As at 31st March 2011 Rs.	As at 31st March 2010 Rs.
SCH	IEDULE 1 - CAPITAL			
	Authorised:			
	60,00,000 Equity shares of Rs.10/- each		60,000,000	60,000,000
	<b>Issued, Subscribed and Paid up:</b> 50,71,900 Equity shares of Rs.10/-each fully paid up (Of the above 8,70,000 Equity shares have been allotted			
	as fully paid Bonus Shares by capitalisation of Reserves)		50,719,000	50,719,000
		Total	50,719,000	50,719,000
SCH	EDULE 2 - RESERVES AND SURPLUS			
	Share Premium Account		211,642,500	211,642,500
	General Reserve			055 440 000
	As per last year's Balance Sheet Transfer from/(to) Profit and Loss Account during the year		355,119,966 2,343,000	355,119,966
		Total	357,462,966	355,119,966
	Balance in Profit and Loss Account		117,675,997	81,996,851
		Total	686,781,463	648,759,317
SCH	IEDULE - 3 - SECURED LOANS			
A.	Technology Development Board (Secured by hypothecation of all moveable Fixed assets of Company and guarantee of Two Directors and the Subsideration of the S		75,000,000	55,000,000
B.	From Banks Working Capital Facilities-Cash Credit, Export packing credit and Bills discounted (Secured by hypothecation of stock in trade and receivables, mortgage of factory land and buildings and second charge on plant and mach	ninery)		
	State Bank of India		11,015,681	48,662,048
	Bank of Baroda		19,243,758	75,207,631
	Indian Overseas Bank Corporation Bank		10,087,400 6,025,786	- 4,560,792
	•	Total	121,372,625	183,430,471
		Total	121,072,023	100,400,471
SCH	IEDULE 4 - UNSECURED LOANS			
	Loans from Directors		34,022,637	22,168,502
		Total	34,022,637	22,168,502
SCH	EDULE 5 - DEFERRED TAX LIABILITY (NET)			
	As per last Balance Sheet		27,277,100	18,968,500
	Additions during the year		6,994,900	8,308,600
		Total	34,272,000	27,277,100



# SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2011

# **Schedule 6 - Fixed Assets**

		GROSS BLOCK	BLOCK			DEPRECIATION	HATION		NET BLOCK	LOCK
Assets	Cost upto 31.03.2010	Additions	Sales/ Transfers	Cost upto 31.03.2011	Upto 31.03.2010	For the year	Withdrawn during	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
	Rs.	Rs.	Rs.	.S.	Rs.	Rs.	Rs.	Rs.	.S.	Rs.
Land	22,085,400	I		22,085,400	I	I	I	I	22,085,400	22,085,400
Buildings	116,211,917	486,669		116,698,586	44,880,702	3,819,670		48,700,372	67,998,214	71,331,215
Plant & Machinery	722,140,952	11,559,343	22,015,958	711,684,337	430,555,214	45,835,781	22,015,958	454,375,037	257,309,300	291,585,738
Vehicles	6,285,218	•	261,679	6,023,539	3,977,931	418,320	261,679	4,134,572	1,888,967	2,307,287
Fumiture and Office Equipments	30,152,712	1,161,015	727,065	30,586,662	18,109,926	2,289,121	727,065	19,671,982	10,914,680	12,042,786
Work-in-progress	I	I	I	I	I	I	I	I	I	I
Total	896,876,199	13,207,027	23,004,702	887,078,524	497,523,773	52,362,892	23,004,702	526,881,963	360,196,561	399,352,426
Previous Year	870,113,351	26,782,848	20,000	896,876,199	451,597,943	45,927,830	2,000	497,523,773	399,352,426	418,515,408



#### SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH 2011

PAF	RTICU	JLARS	As at 31st March 2011 Rs.	As at 31st March 2010 Rs.
Sch	edule	7 : INVESTMENTS		
I.	In (	Government or Trust Securities		
	A.	7 Years National Savings Certificate At Cost	10,500	10,500
	B.	5.5% Non Convertible Redeemeble Taxable Bonds Series VI 180 Nos. Face Value of Rs. 10000/- Each of Rural Electrification Corporation Limited	1,800,000	1,800,000
II.	In 9	Shares and Bonds		
	(i)	Non-trade Quoted		
	(1)	1500 Equity Shares of Rs.10/- each in M/s. Lakshmi Machine Works Limited fully paid up at Cost.	14,262	14,262
		10000 Equity Shares of Rs.10/-each in M/s. Precision Fasteners Ltd., fully paid up at Cost	500,000	500,000
		200 Equity Shares of Rs.10/- each in M/s. IFCI Limited fully paid up at Cost	4,500	4,500
		334 Equity Shares of Rs.10/- each in State Bank of India, fully paid up at Cost	158,560	158,560
III.	Inve	estment in Wholly Owned Subsidiary		
		(Under Same Management) 1,20,00,000 Equity Shares of Rs.10/-each in M/s. Veejay Lakshmi Textiles Ltd, fully paid up at Cost (wholly owned subsidiary-company under same managem	<b>120,000,000</b> ent)	120,000,000
		1,20,00,000 6% Non Cumulative Redeemable Preference Shares of Rs. 10/- each in	100 000 000	400 000 000
		M/s. Veejay Lakshmi Textiles Ltd, fully paid up at Cost	120,000,000	120,000,000
		Total	242,487,822	242,487,822
		Less Investment Fluctuation Reserve	502,340	502,340
		Total	241,985,482	241,985,482
		Aggregate Value of Quoted Investment - Cost (Rs.)	677,322	
		- Market Value	(Rs.) <b>4,296,884</b>	
		Aggregate Value of Unquoted Investments - Cost (Rs.)	241,810,500	



#### SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule No.	As at 31st March 2011 Rs.	As at 31st March 2010 Rs.
NULE 8 - CURRENT ASSETS LOANS AND	ADVANCES		
ventories : Raw Materials Scrap Components Work-in-Progress Machinery spares Stores Finished goods	Sub Total	25,754,205 67,602 31,600,547 259,863,688 529,211 11,322,590 1,748,176 330,886,019	42,866,115 109,325 24,102,907 193,600,276 1,616,994 11,262,688 ———————————————————————————————————
		6,289,855 51,993,292	2,958,014 22,556,735
	Sub Total	58,283,147	25,514,749
In Deposit Account		354,352 337,008 2,517,395 867,601 4,076,356	321,364 5,843,241 3,700,395 869,951 10,734,951
coans and Advances (Unsecured-considered dvances recoverable in Cash or in kind ue from others ue from Subsidiary eposits uty drawback and other receivables repaid expenses dvance Tax	Sub Total	26,152,430 42,954,113 2,582,448 27,741,324 547,946 21,447,448 121,425,709 514,671,231	31,793,774 72,178,256 4,314,433 39,788,895 815,920 43,719,607 192,610,885 502,418,890
NULE O CUIDDENT LIABILITIES AND DOO		314,071,201	002,410,000
urrent Liabilities: ability for Supplies and Services ability for Expenses ability for Other Finance		64,567,391 6,744,530	99,464,923 16,971,350 239,522 869,951 59,485,487 7,292,345 184,323,578
rovisions rovision for Incometax rovision for Dividends rovision for Dividend distribution tax rovision for Gratuity	Total	12,700,000 7,607,850 1,234,183 1,063,865 22,605,898 189,685,549	27,078,830 - 27,078,830 211,402,408
THE TENERS OF TH	ventories: Raw Materials Scrap Components Work-in-Progress Machinery spares Stores Finished goods  undry Debtors (Unsecured-considered good bets outstanding for a period exceeding six ther Debts  ash and Bank balances ash on hand ash with Nationalised/Scheduled Banks-In Conn Deposit Account vestors' Education & Protection Fund - Uncil  vans and Advances (Unsecured-considered thances recoverable in Cash or in kind the from others the from Subsidiary than the subsidiary drawback and other receivables epaid expenses thance Tax  ULE 9 - CURRENT LIABILITIES AND PROPORTION of Supplies and Services ability for Supplies and Services ability for Supplies and Services ability for Other Finance vestors' Education & Protection Fund - Uncil divance received against sales the substance of th	ULE 8 - CURRENT ASSETS LOANS AND ADVANCES ventories: Raw Materials	Schedule No.   Schedule No.   State



#### SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

	Year ended 31st March 2011 Rs.	Year ended 31st March 2010 Rs.
SCHEDULE 10 - SALES		
Gross Turnover	1,069,384,284	744,949,245
Less: Excise Duty	88,011,129	47,993,306
Net Sale of Finished goods	981,373,155	696,955,939
Sale of Power generated	14,132,161	15,786,570
Sale of Scrap and waste	2,764,224	1,479,624
Labour charges	6,570,191	4,725,011
Total	1,004,839,731	718,947,144
SCHEDULE 11 - INCREASE / (DECREASE) IN FINISHED (	GOODS	
Closing Stock - Finished Goods	1,748,176	_
Scrap and Waste	67,602	109,325
	1,815,778	109,325
Less:		
Opening Stock - Finished Goods Scrap and Waste	109,325	54,120
coup and made	109,325	54,120
Total	1,706,453	55,205
SCHEDULE 12 - OTHER INCOME		
Dividend Receipts	29,380	34,846
Interest receipts (TDS Rs. 44773 /- )	415,191	360,051
Foreign exchange gain and Miscellaneous income	129,241	9,697,835
	573,812	10,092,732
SCHEDULE 13 - MATERIALS CONSUMED		
Opening Stock		
Raw materials	42,866,115	31,314,000
Components	24,102,907	23,873,000
Work in Progress	193,600,276	196,458,000
	260,569,298	251,645,000
Add Purchased during the year	586,851,593	425,142,643
	847,420,891	676,787,643
Less : Closing Stock		
Raw materials	25,754,205	42,866,115
Components	31,600,547	24,102,907
Work in Progress	259,863,688	193,600,276
	317,218,440	260,569,298
Raw materials and components consumed Sub Total	530,202,451	416,218,345
Add: Stores consumed	55,643,997	33,828,323
Total Materials consumed Total	585,846,448	450,046,668



#### SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

		Year ended 31st March 2011 Rs.	Year ended 31st March 2010 Rs.
SCHEDULE 14 - PAYMENT TO AND PROVISION	FOR EMPLOY	/EES	
Salary, Wages, Gratuity, etc		109,128,918	81,425,829
Contribution to Provident Fund		3,430,367	2,701,048
Staff and Labour Welfare expenses		11,622,715	9,584,744
Managerial Remuneration		4,496,628	1,145,080
	Total	128,678,628	94,856,701
SCHEDULE 15 - OTHER EXPENSES			
Fabrication Charges		29,850,730	14,437,072
Power and Fuel		30,855,285	18,843,383
Freight		4,052,985	1,994,232
Printing and Stationery		1,637,968	1,864,108
Postage and Telephone		2,240,312	1,979,936
Travelling and Vehicle Maintenance		7,392,581	3,745,117
Insurance		188,594	355,956
Rent		1,480,760	1,473,531
Licences and Taxes		2,314,331	2,358,639
Sales commission		27,180,210	27,776,902
Sales promotion expenses		7,752,411	5,495,333
Subscription and periodicals		307,407	287,419
Directors' sitting fees		50,000	50,500
Auditor's remuneration		120,000	90,000
Legal and Professional charges		2,797,040	3,111,076
Repairs and Maintenance-Buildings		1,391,758	559,029
Repairs and Maintenance-Machinery		12,831,170	8,027,949
Repairs and Maintenance-Others		565,001	601,538
Bad Debts written off		2,780,238	_
Foreign Exchange Loss		4,045,588	-
Donations		353,500	39,500
	Total	140,187,869	93,091,220
SCHEDULE 16 - FINANCE CHARGES			
Interest on Fixed Loans		3,595,206	2,257,534
Interest on others and Bank charges		15,971,536	12,405,075
Interest paid to Directors		3,501,233	4,770,650
	Total	23,067,975	19,433,259



# NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31.3.2011 SCHEDULE 17

#### 1 SIGNIFICANT ACCOUNTING POLICIES

- (A) System of Accounting: The Financial Statements are prepared under historical cost convention and on accrual basis in accordance with the applicable accounting standards.
- (B) Use of Estimates: The preparation of the financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known/materialized.
- **(C)** Recognition of Income and Expenditure: Revenue from sale transaction is recognized as and when the property in the goods is sold /transferred to the buyer for a definite consideration. Revenue from service transactions and other source is recognized on the completion of the contract. Dividends from investments, export incentive under Duty Drawback scheme are recognized when the right to receive payments/credit is established and there is no uncertainty regarding the amount of consideration or its collectability.
- (D) Fixed Assets / Borrowing Costs: Fixed Assets are capitalized at cost inclusive of erection expenses and other incidental expenses in connection with the acquisition of the assets and net of Cenvat Credit and VAT, if any. The borrowing cost on the additions to fixed assets is capitalized in accordance with AS 16.
- (E) Depreciation: Depreciation has been provided on straight- line Method in respect of all the assets in accordance with Schedule XIV of the Companies Act, 1956. All buildings have been depreciated at the rate 3.34%. Accessories/power control units, wherever they are attached to the machines, have been depreciated at the same rate applicable for machinery. All electrical equipments including fans, air circulators and air conditioners have been depreciated at the rate of 7.07%. Extra shift depreciation has been provided for full year, even if the plant has run only for part of the year on extra shifts. Depreciation on additions during the year has been provided on pro-rata for the period for which the assets have been put to use. Wind Turbines have been classified as continuous process plant and depreciated accordingly as has been done in the past. For assets of value less than Rs. 5,000/- acquired during the year, 100% depreciation has been provided.
- (F) Taxation: Provision for taxation is made as per estimated total income after considering various reliefs under the provisions of the Income-Tax Act, 1961. The book profit tax paid in accordance with Section 115JB, which is in excess of the normal tax due and which can be adjusted against tax liability for future periods, is treated as advance tax. In accordance with AS 22, the deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been enacted as of the balance sheet date.

#### (G) Inventory Valuation:

1) Raw Material :	At weighted average cost
2) Components and Stock of Stores	At weighted average cost
3) Finished Goods	At cost or net realisable value whichever is lower (inclusive of Excise Duty)
4) Work - in Progress	At estimated cost
5) Scrap/Waste	At estimated Cost or net realisable value whichever is lower (inclusive of Excise Duty, wherever Applicable).

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- **(H) 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.
- (I) Foreign Exchange Transactions: The transactions in respect of import of materials and export sales have been accounted for at the rates of exchange prevailing on the date of the transactions. However, in respect of transactions remaining unpaid/unrealized, exchange rates prevailing at the end of the year have been adopted. Difference arising out of fluctuation in the exchange for the above transaction has been taken to a separate account, which is debited/credited to the Profit and Loss Account. Wherever Forward Contracts have been entered, the premium or discount has been recognized over the period of the contract and the exchange differences on these contracts have been adjusted during the period in which the differences have taken place. All forward contracts have been entered only for import or export transactions of the Company and no contract has been entered for speculative purposes.
- (J) Impairment of Assets: The carrying amount of the fixed assets is reviewed for provision for impairment as required under AS 28. In the opinion of the Company, the recoverable amount of 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.
- (K) Investments: Investments are shown at cost. Investment fluctuation reserve has been created for the diminution in value of quoted investments.
- (L) 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.
- (M) 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.
- (N) 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.
- (O) Segment Reporting: Business segments are identified based on the nature of products and services. For reporting the business has been split into two segments one representing Engineering activities manufacturing textile machinery and the other representing the generation of power by wind energy. Power generated from windmills is wheeled through Electricity Board and adjusted against the consumption of power by the Company and the Subsidiary Company. The entire value of power generated is treated as sale to Electricity Board and included in the sales turnover. The adjustment to Subsidiary Company and self consumption is not considered for Inter Segment Revenue/Adjustments, as has been done in the past.

#### 2. LICENSED AND INSTALLED CAPACITIES

Particulars	As at 31.3.2011	As at 31.3. 2010
(a) Engineering Division - textile machinery and engineering ancillaries	Not Applicable	Not Applicable

The products manufactured by the Company do not require any industrial license as per the current industrial policy and hence there is no restriction on the maximum capacity that the Company can produce. The installed capacity also varies depending on the level of subcontracting work and outsourcing of components. Hence the data on licensed and installed capacities has not been furnished.



#### 3. FINISHED GOODS

As exempted under notification S.O.301(E) dated 8.2.2011, details of only items of value above 10% is provided with respect to sales, stocks and consumption

	201	0-11	200	9-10
	Qty in Nos.	Value in Rs.	Qty in Nos.	Value in Rs.
(i) Yarn making machinery-no of mac	hines			
a. Opening Stock	-	-	-	-
b. Actual Production	171		185	
c. Sales	170	276,765,752	185	271,896,037
d. Closing Stock	1	1,136,470	-	-
(ii) Automatic Cone Winder (no of ma	chines)	,		
a. Opening Stock	-	-	-	-
b. Actual Production	91	-	54	-
c. Sales	91	613,669,357	54	337,578,503
d. Closing Stock	-	-	-	-

4.	CONSUMPTION OF MATERIALS	2010	2010-2011		9-2010
A.	Raw Materials	Qty - kgs.	Qty - kgs. Value in Rs.		Value in Rs.
	1. Non Ferrous and Non - Metallic	372726	58,210,534	330278	50,458,837
	2. Rough Castings	367043	21,318,321	304516	14,949,155
	3. Ferrous and Ferro Alloys	2820998	101,120,162	1568616	65,989,932
B.	Components				
	1. Electronic Clearers	6112	78,296,801	3061	44,737,839
	2. Splicers	5248	47,213,002	3264	29,364,184
	3. Other Components*	•	290,307,043	-	173,343,344
	Total	-	596,465,863	-	378,843,291

(\*Quantitative details could not be given in respect of other components, since the list is too large and no item individually accounts for more than 10% of value of total consumption of materials)

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#### 5. EXPENDITURE IN FOREIGN CURRENCY

Α.	Value of Imports CIF		2010-2011		2009-2010
			Value in Rs.		Value in Rs.
i.	Raw Materials		14,005,408		6,659,149
ii.	Components, Spares Parts &				
	Consumables		278,473,450		146,231,339
iii.	Capital Goods		_		20,712,530
iv.	Traded goods		-		34,517,330
В.	Other matters		2,760,044		2,078,432
C.	Consumption	Value in Rs.	% of Total	Value in Rs.	% of Total
			consumption		consumption
i.	Raw materials-imported	17,015,329	3%	8,974,417	3%
ii.	Raw materials-Indigenous	163,633,687	27%	122,423,507	32%
iii.	Components indigenous	157,744,271	26%	99,796,664	26%
iv.	Components-imported	258,072,576	44%	147,648,703	39%
		596,465,863	100%	378,843,291	100%
D.	Earnings in Foreign Exchange	Value in Rs.		Value in Rs.	
	Exports and Services	64,022,603		37,585,198	

#### 6. MANAGERIAL REMUNERATION TO

			2010-2011 Rs.		2009-2010 Rs.
1.	Sri. V.J. Jayaraman Chairman cum Managing Director Salaries Commission Provident Fund Contribution Others Perks	- - - 44,461	- - - 44,461	- - 47,099	- - - 47,099
2.	<b>Sri. J. Anand</b> , Managing Director Salaries Commission Provident Fund Contribution Others Perks	3,000,000 - 330,000 81,911	- - - 3,411,911	- - 57,725	- - - 57,725
3.	Sri D. Ranganathan Whole Time Director (Fin & Mktg.) Salaries Commission Provident Fund Contribution Others Perks	928,800 - 111,456 -	- - 1,040,256	928,800 - 111,456	- - 1,040,256
	Total (1+2+3)		4,496,628		1,145,080

Contribution made by the company to gratuity trust in respect of Sri J Anand and Sri. D. Ranganathan not included in the above.



Working for Managerial Remuneration		2010-2011 Rs.		2009-2010 Rs.
Profit before tax		76,976,184		25,739,403
Add: Managerial remuneration		4,496,628		1,145,080
Sitting fees to directors		50,000		50,500
Provision for doubtful debts / advances		2,780,238		NIL
Loss on sale of Assets		NIL		NIL
Assets condemned and written off		NIL		NIL
Less : Profit on sale Assets / Investments		NIL		NIL
Net Profit		84,303,050		26,934,983
Maximum remuneration payable to CMD, MD & WTD 10% of the net profit.		8,430,305		2,693,498
	MD	CMD	MD	CMD
5% Maximum Payable for each	4,215,153	4,215,153	1,346,749	1,346,749
Already paid	3,411,911	44,461	57,725	47,099

7. Auditors' Remuneration	2010-2011 Value in Rs.	2009-2010 Value in Rs.
Audit Fees	120,000	90,000
Certification and other matters *	77,247	26,500
Reimbursement of expenses *	13,332	9,500
Total	210,579	126,000

<sup>\*</sup> Debited under Legal & Professional charges and travel expenses

8.	Contingent Liabilities and Claims not acknowledged as Debts	31-3-2011 Rs. in Lakhs	31-3-2010 Rs. in Lakhs
a.	Duty liability and interest on account of pending export obligation against EPCG Licences	110.20	94.14
b.	Income tax Liability on expenses disallowed/addtions proposed disputed in appeals	88.55	98.55
C.	Amounts claimed by Customs, Excise and Market committee authorities disputed in appeals	22.13	9.24
d.	Claims from Debtors, Creditors and Workmen not acknowledged as debts including interest	Nil	89.53
e.	Guarantees given on behalf of the Directors or other officers of the Company	Nil	Nil
f.	Guarantees issued by Banks on behalf of the Company	654.00	173.33
g.	Letter of Credit opened by Banks on behalf of the Company	489.00	285.88
h.	Guarantee issued on behalf of an associate Company in which Directors are interested	486.00	418.00
i.	Estimated amount of contracts remaining to be executed on capital account and not provided for	169.46	24.42



(Rs. in Lakhs)

j. k	Company-outstanding-both fund based and non fund based  Duty Liability against Advances Licences for Deemed	2487.00	2347.00
	Exports-Export obligation fulfilled by physical export but not accepted by Govt.	60.83	56.27
9.	Research and Development expenses incurred	117.65	82.49
10.	Loans and Advances in the nature of loans to the Subsidiary		
	Opening Balance	721.78	Nil
	Closing Balance	429.54	721.78
	Maximum balance during the year	721.78	721.78
11.	Debts due from Companies under the same management (other than the subsidiary)	Nil	Nil
12.	Debts due by Directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any Director is a partner or a Member-end of the year.	Nil	0.50
	There was no amount due by Directors or other officers of the Company at any time during the year. (Previous year Nil)		
13.	Amounts included in Sundry Debtors or Loans and Advances which is due from Companies and Firms in which Directors are interested-other than those included in items 10 to 12	Nil	Nil
14.	Gain/(Loss) on account of foreign exchange difference included in the profit and loss account	-40.46	2.38

The Company does not have any foreign operations and no other exchange variations to be disclosed as in the accounting standard 11. The following are the unhedged foreign exchange assets/liabilities net of advances paid/received.

Creditors/Liability on L/c opened and orders placed for imports and dues under buyer's credit scheme

		Amount in respective currencies	
USD	418912	781848	
EURO	565819	190332	
JPY	8450000	7500000	
CHF	761692	162840	
Export Receivables			
USD	320548	743000	



#### 15. Segment Report for the year ended 31st March 2011

(Rs. in Lakhs)

Revenue	31s	t March 20	011	31s	)10	
	Engg. Dvn.	Windmill Dvn.	Total	Engg. Dvn.	Windmill Dvn.	Total
External Sales	9908	141	10049	6783	158	6941
Inter Segment Transfers	-	-	-	-	-	-
Total Revenue	9908	141	10049	6783	158	6941
Result						
Segment Result	911	86	997	457	97	554
Un allocated including exceptional items						-107
Operating Profit	911	86	997	384	63	447
Less: Interest Expense	-	-	-231	-	-	-194
Interest Income	-	-	4	-	-	4
Income Taxes	-	-	-301	-	-	-83
Unallocable Income	-	-	-	-	-	-
Profit from Ordinary Activities	-	-	469	-	-	174
Extra Ordinary Items	-	-	-	-	-	-
Net Profit	-	-	469	-	_	174
Other Information	-	-	-	-	_	_
Segment Assets	7263	454	7717	6977	514	7491
Un allocated Corporate Assets	-	-	3452	-	-	10050
Total Assets	-	-	11169	-	-	17541
Segment Liabilities	1246	1	1247	1297	-	1297
Un allocated Corporate Liabilities	-	-	9922	-	-	16244
Total Liabilities	-	-	11169	-	_	17541
Capital Expenditure	132	-	132	268	0	268
Depreciation	524	-	524	410	49	459
Non Cash Expenditure other than depreciation	-	_	-	-	-	-



#### 16. RELATED PARTY DISCLOSURES FOR THE YEAR ENDED 31.03.2011

(Rs. in Lakhs)

Particulars		Associate Companies/ Firms	Subsidiary Company	Key Managerial Personnel	Relative of Key Managerial Personnel
Purchase of goods and services- raw materials, components and	2010-11	65.12	7.13	-	-
engineering job works	2009-10	74.91	2.68	_	-
Sale of machinery, spares, raw materials, components and	2010-11	32.19	135.46	-	-
job works	2009-10	87.05	367.94	-	-
Sales commission paid	2010-11	222.15	-	-	-
	2009-10	150.25	-	-	-
Rent paid	2010-11	13.29	-	1.23	-
	2009-10	13.29	-	1.23	-
Managerial remuneration	2010-11	-	-	44.97	-
	2009-10	-	-	11.45	9.60
Un secured loans	2010-11	-	-	340.23	-
	2009-10	-	-	221.69	-
Interest paid on loans	2010-11	-	-	35.01	-
	2009-10	-	-	47.71	-
Finance including loans and equity/Preference share capital	2010-11	-	2400.00	-	-
contribution in cash or in kind	2009-10	-	2400.00	-	-
Guarantees and collaterals	2010-11	486.00	2487.00	-	-
	2009-10	418.00	3217.00	-	-
Outstanding due from the Company	2010-11	-	-	-	-
	2009-10	16.12	-	-	-
Outstanding due to the Company	2010-11	_	429.54	-	-
	2009-10	-	721.78	-	-

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

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

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

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



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

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

- 1. M/s. Lakshmi Electrical Control Systems Limited
- 2. M/s. The Krishna Mills Private Limited
- 3. M/s. Lakshmi Precision Tools Limited
- 4. M/s. Deluxe Marketing
- 5. M/s. Deluxe Components
- 6. M/s. Ranba Castings Limited
- 7. M/s. Samrajyaa & Co
- 8. M/s. The Suguna Mills Private Limited.
- 9. M/s. Magna Electro Castings Limited
- 10. M/s. Prathishta Weaving & Knitting Co. Ltd
- 11. M/s. Augustan Knit Wear Pvt. Ltd.
- 12. M/s. Augustan Textile Colors Limited
- 13. M/s. Augustan Coimbatore Knitting Company Limited
- 14. M/s. Kovai Medical Centre and Hospitals Pvt. Ltd.

#### C. Name of the Wholly Owned Subsidiary Company

1. M/s. Veejay Lakshmi Textiles Limited

#### D. Name of the Key Managerial Personnel

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

#### E. Relatives of the Key Managerial Personnel

- 1. Smt. J. Vidya W/o Sri. V.J. Jayaraman
- 2. Smt. Arthi Anand W/o Sri. J. Anand
- 17. 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:

		Gratuity (Funded) 31.03.2011	Gratuity (Funded) 31.03.2010
Α.	Expense recognised during year ended 31.03.2011		
	Current Service cost	552,043	421,721
	2. Interest Cost	427,139	444,511
	3. Expected return on plan assets	(556,447)	(526,628)
	4. Actuarial Losses/(Gains) during the year	1,508,596	(901,482)
	5. Direct Payment / Post service cost vested benefits	226,208	1,723,830
	6. Total Expense	2,157,539	1,161,952
В.	Actual return on Plan assets		
	1. Expected return on plan assets	556,447	526,628
	2. Actuarial (Loss) / Gain on Plan assets	53,386	36,571
	3. Actual return on plan assets	609,833	563,199



C.	Net Asset / (Liablility) recognised in the Balance Sh 1. Present value of the obligation as on 31.03.2011 2. Fair value of plan assets as on 31.3.2011 3. Funded status surplus (deficit) 4. Net Asset/(Liability) recognised in the Balance sheet	7,470,084 6,406,219 (1,063,865)	
D.	Change in Present value of the Obligation during th  1. Present value of the obligation as at April 1, 2010  2. Current service cost  3. Interest cost  4. Benefits paid  5. Actuarial (gain) / loss on obligation  6. Present value of obligation as at March 31,2011	e year ended Marc 5,365,931 552,043 427,139 172,822 952,149 7,470,084	5,748,159 421,721 444,511 (383,549) (864,911)
E.	Change in Assets during the year ended March 31,  1. Fair value of plan assets as at April 1, 2010  2. Expected return on plan assets  3. Contributions made  4. Benefits paid  5. Actuarial gain / (loss) on plan assets  6. Fair value of plan assets as at March 31, 2011	2011 6,459,605 556,447 (53,386) (556,447) 6,406,219	526,628 - (383,549) 36,571
F.	Major categories of plan assets as a percentage of	total plan	
	Qualifying insurance policies Own plan assets Total	1,563,001 4,843,218 6,406,219	, ,
G.	Actuarial Assumptions		
	<ol> <li>Discount rate</li> <li>Salary escalation</li> <li>Expected rate of return on plan assets</li> <li>Attrition rate</li> <li>Mortality rate</li> </ol>	8% 5% 8.65% 2% LIC 94-96 Rates	8% 5% 8.65% 2% LIC 94-96 Rates

#### 18. Deferred Tax computed as per AS 22:

Nature of Item	201	0-11	2009-10	
	Value	Tax Amount	Value	Tax Amount
On account of Depreciation - Liability-A On account of timing difference like Gratuity, Bonus and VRS payments- Asset-B Net Deferred Tax Liability-A-B	157,584,000 51,128,000	51,128,000 16,856,000 34,272,000	171,421,457 83,148,657	52,970,000 25,692,900 27,277,100



- 19. The Company has no sole selling agents. The entire sales commission has been paid to other agents.
- 20. Dues to MSME-As on 31.3.2011-(Based on information available with the Company about the status of the suppliers. Very few suppliers have intimated the Company about their status as Micro or Small enterprises) Rs. 6.78 lakhs (Previous year Rs. 33.64 lakhs)
- 21. Provision for Provident Fund included in Current Liabilities Rs. 3.53 lakhs (Previous year NIL)

#### 22. Earnings per share (Face value Rs.10/- per share)

(Amount in Rs.)

Pai	ticulars	31.03.2011	31.03.2010
		Rs.	Rs.
a)	Profit for the year as per Profit & Loss Account	76,976,184	25,739,403
b)	Less: Taxes	30,112,005	8,308,600
c)	Profit After Tax	46,864,179	17,430,803
d)	Number of shares	5,071,900	5,071,900
e)	EPS/Diluted EPS	9.24	3.44

## 23. Financial Details of the Wholly Owned Subsidiary, M/s Veejay Lakshmi Textiles Limited (Amount in Rs.)

31.3.2011 31.3.2010 Share Capital 240,000,000 240,000,000 Reserves -29.730.333 -40,867,064 Total Assets 710,333,812 662,242,875 **Total Liabilities** 710,333,812 662,242,875 Investments Turnover 524,681,878 402,757,441 Profit before Taxation 10,043,811 -9,858,902 Provision for Taxation 2,759,096 1,102,800 Profit after Taxation 8,941,011 -12,617,998

24. Figures have been rounded off to the nearest rupee and previous year figures have been regrouped/rearranged wherever necessary.

As per our report attached For N.R. DORAISWAMI & CO Chartered Accountants (Sd/-) V.J. JAYARAMAN Chairman Cum Managing Director (Sd/-) J. ANAND Managing Director Nil

Nil

Coimbatore 30.05.2011

Proposed Dividend

(Firm Registration No. 000771S)
(Sd/-) SUGUNA RAVICHANDRAN
Partner, (Membership No. 207893)

(Sd/-) D. RANGANATHAN Whole Time Director (Finance & Mktg.)



927168

#### BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I.	REGISTRATION	<b>DETAILS</b>	:
----	--------------	----------------	---

Total Liabilities

 Registration Number
 181-000705

 State Code
 18

 Balance Sheet Date
 31.03.2011

 CIN No.
 1.29191TZ1974PL C000705

#### II. CAPITAL RAISED DURING THE YEAR

Public Issue

Nil
Rights Issue

Nil

#### III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS: (Rs. in Thousands)

Total Elabilities	321100
Total Assets	927168
Sources of Funds	
Paid - up Capital	50719
Reserves & Surplus	686781
Deferred Tax Liability	34272
Secured Loans	121373
Unsecured Loans	34023
Application of Funds	
Net Fixed Assets	360197
Investments	241985
Net Current Assets	324986

#### IV. PERFORMANCE OF THE COMPANY: (Rs. in Thousands)

Turnover 1004840
Profit Before Tax 76976
Profit After Tax 46864
Earnings per share (Rs.) 9.24
Dividend 1.50 per share

# V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY (As per monetary Terms)

Item code No.84.45Product DescriptionTextile Machinery

As per our report attached For N.R. DORAISWAMI & CO Chartered Accountants (Sd/-) V.J. JAYARAMAN Chairman Cum Managing Director (Sd/-) J. ANAND Managing Director

(Firm Registration No. 000771S)
Coimbatore (Sd/-) SUGUNA RAVICHANDRAN

(Sd/-) D. RANGANATHAN Whole Time Director (Finance & Mktg.)

30.05.2011

Partner, (Membership No. 207893)



#### CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2011

		Year ended 31st March 2011	Year ended 31st March 2010
Α.	Cash Flow from Operating Activities		
	Net Profit Before Tax and extra ordinary items	769.76	257.39
	Adjustments for :		
	Depreciation	523.63	459.28
	Interest paid	230.68	194.33
	Interest/Dividend Income	-4.45	-3.95
	Operating Profit before working capital changes	1519.62	907.05
	(Increase)/Decrease in Trade and Other Receivables	160.56	-1147.14
	Increase/(Decrease) in Payables	-964.53	884.88
	Decrease/(Increase) in Inventories	-573.28	-91.77
	Cash generated from operations	142.37	553.02
	Direct Taxes paid	-164.58	-19.38
	Cash flow before extra ordinary items	-22.21	533.64
	Net Cash from Operating Activities	-22.21	533.64
В.	Cash Flow from Investing Activities		
	Purchase of Fixed Assets	-132.07	-267.83
	Purchase of Fixed Assets Sale of Fixed Assets	-132.07 -	-267.83 0.18
		-132.07 - 5.04	0.18
	Sale of Fixed Assets	-	
	Sale of Fixed Assets Interest received	- 5.04	0.18 3.60
•	Sale of Fixed Assets Interest received Dividend Received  Net cash used for Investing Activities	5.04 0.29	0.18 3.60 0.35
C.	Sale of Fixed Assets Interest received Dividend Received  Net cash used for Investing Activities  Cash flow from Financing Activities	5.04 0.29 -126.74	0.18 3.60 0.35 -263.70
C.	Sale of Fixed Assets Interest received Dividend Received  Net cash used for Investing Activities  Cash flow from Financing Activities Increase/(Repayment) of Long Term borrowings	5.04 0.29 -126.74	0.18 3.60 0.35 -263.70
C.	Sale of Fixed Assets Interest received Dividend Received  Net cash used for Investing Activities  Cash flow from Financing Activities Increase/(Repayment) of Long Term borrowings Dividends paid	5.04 0.29 -126.74 318.54 -0.02	0.18 3.60 0.35 -263.70 -46.31 -0.08
C.	Sale of Fixed Assets Interest received Dividend Received  Net cash used for Investing Activities  Cash flow from Financing Activities Increase/(Repayment) of Long Term borrowings Dividends paid Interest paid	318.54 -0.02 -236.16	0.18 3.60 0.35 -263.70 -46.31 -0.08 -157.86
C.	Sale of Fixed Assets Interest received Dividend Received  Net cash used for Investing Activities  Cash flow from Financing Activities Increase/(Repayment) of Long Term borrowings Dividends paid	5.04 0.29 -126.74 318.54 -0.02	0.18 3.60 0.35 -263.70 -46.31 -0.08
C.	Sale of Fixed Assets Interest received Dividend Received  Net cash used for Investing Activities  Cash flow from Financing Activities Increase/(Repayment) of Long Term borrowings Dividends paid Interest paid	318.54 -0.02 -236.16	0.18 3.60 0.35 -263.70 -46.31 -0.08 -157.86
C.	Sale of Fixed Assets Interest received Dividend Received  Net cash used for Investing Activities  Cash flow from Financing Activities Increase/(Repayment) of Long Term borrowings Dividends paid Interest paid  Net cash from financing activities	318.54 -0.02 -236.16 82.36	0.18 3.60 0.35 -263.70 -46.31 -0.08 -157.86 -204.25

As per our report attached For N.R. DORAISWAMI & CO Chartered Accountants

Partner, (Membership No. 207893)

(Firm Registration No. 000771S)
(Sd/-) SUGUNA RAVICHANDRAN

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

(Sd/-) D. RANGANATHAN Whole Time Director (Finance & Mktg.)

Coimbatore 30.05.2011



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

1. Na	me of the Subsidiary	Veejay Lakshmi Textiles Limited
2. Fin	ancial year of the Subsidiary Company	31st March, 2011
3. Ext	ent of interest in Subsidiary Company	100% of paid up equity capital of 1,20,00,000 equity shares of Rs.10/- each and 1,20,00,000 Preference shares of Rs. 10/- each
Sul	t aggregate amount of the profits/(losses) of the bsidiary Company for the period, so far as it concerns mbers of Veejay Lakshmi Engineering Works Limited	
a)	Not dealt with in Accounts of the Company	
	(i) For the financial year of the Subsidiary	Rs. 8,941,011/-
	(ii) For the previous financial years since it became the Subsidiary of the Company	(Rs. 50,829,418/-)
b)	Dealt with in the Accounts of the Company	
	(i) For the financial year of the Subsidiary	Nil
	(ii) For the previous financial years since it became the Subsidiary of the Company	Nil
	ditional information U/s 212(5)  Change in the interest of the Company between the end of the Subsidiary Company's and the Company's financial year ended 31 st March 2011.	Nil
(b)	Material changes between the end of the financial year of the Subsidiary and the Company's financial year ended 31st March 2011	
	(1) Fixed Assets	Nil
	(2) Investment	Nil
	(3) Money Lent	Nil
	(4) Money borrowed for any purpose other than that of meeting current liabilities:	Nil
	Fresh borrowings from Bank	Nil
	Amount repaid to Bank	Nil

As per our report attached For N.R. DORAISWAMI & CO Chartered Accountants (Firm Registration No. 000771S) (Sd/-) V.J. JAYARAMAN Chairman Cum Managing Director (Sd/-) J. ANAND Managing Director

Coimbatore 30.05.2011

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

(Sd/-) D. RANGANATHAN
Whole Time Director (Finance & Mktg.)



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

We have examined the attached Consolidated Balance Sheet of M/s. Veejay Lakshmi Engineering Works Limited and its subsidiary as at 31st March, 2011, the consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended (these are referred to as the financial statements).

These financial statements are the responsibility of the Company's management. Our responsibility is to express on opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of M/s. Veejay Lakshmi Textiles Limited, a subsidiary whose financial statements reflect total assets of Rs.70,79,14,789/- as at 31st March 2011 and total revenues of Rs.53,21,57,051/- for the year then ended. These financial statements have been audited by other auditors whose report have been furnished to us and our opinion in so far as it relates to the amounts included in respect of the subsidiary is based solely on the report of the other auditors.

We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Veejay Lakshmi Engineering Works Limited and its subsidiary which is included in the consolidated financial statements

On the basis of the information and explanation given to us and on the consideration of the separate audit reports on individual audited financial statements of Veejay Lakshmi Engineering Works Limited and its aforesaid subsidiary, we are of the opinion that :

- (a) The Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Veejay Lakshmi Engineering Works Limited and its subsidiary as at 31st March, 2011.
- (b) The Consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of Veejay Lakshmi Engineering Works Limited and its subsidiary for the year then dated; and
- (c) The Consolidated Cash Flow Statement of Veejay Lakshmi Engineering Works Limited and its subsidiary for the year ended 31st March 2011 has been prepared in accordance with the generally accepted accounting principles in India.

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

(Sd/-) SUGUNA RAVICHANDRAN

Partner

(Membership No. 207893)

Coimbatore 30.05.2011



# CONSOLIDATED ACCOUNTS BALANCE SHEET AS AT 31ST MARCH 2011

			Schedule No.	As at 31st March 2011 Rs.	As at 31st March 2010 Rs.
I.	so	PURCES OF FUNDS			
	1.	Shareholders' Funds A. Capital B. Reserves and Surplus	1 2	50,719,000 654,975,410	50,719,000 608,012,253
	2.	Loan Funds A. Secured Loans B. Unsecured Loans	3 4	355,900,013 214,992,483	417,828,730 136,118,772
	3.	Deferred Tax Liability	5	48,750,800	40,704,900
		Total Funds employed		1,325,337,706	1,253,383,655
II.	AP	PLICATION OF FUNDS			
	1.	Fixed Assets A. Gross Block B. Less Depreciation C. Net Block	6	1,464,194,327 662,937,226 801,257,101	1,416,823,183 607,033,848 809,789,335
	2.	Investments	7	1,985,482	1,985,482
	3.	Current Assets, Loans and Advances A. Inventories B. Sundry Debtors C. Cash and Bank Balances D. Loans and Advances	8	430,848,376 143,144,266 39,798,307 124,780,418 738,571,367	374,373,479 95,632,379 44,609,227 167,431,515 682,046,600
		Less : Current Liabilities and Provisions A. Current Liabilities B. Provisions	9	191,734,189 24,742,055 216,476,244	211,696,984 28,860,778 240,557,762
		Net Current Assets		522,095,123	441,488,838
		Preliminary Expenses			120,000
		Total Application of Funds		1,325,337,706	1,253,383,655

Schedules 1 to 9 and notes on Schedule 17 form part of this Balance Sheet

As per our report attached For N.R. DORAISWAMI & CO

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

Chartered Accountants (Firm Registration No. 000771S)

(Sd/-) D. RANGANATHAN Whole Time Director (Finance & Mktg.)

Coimbatore (Sd/-) SUGUNA RAVICHANDRAN 30.05.2011 Partner, (Membership No. 207893)



# CONSOLIDATED ACCOUNTS PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

			Schedule No.	Year ended 31st March 2011 Rs.	Year ended 31st March 2010 Rs.
I.	INC	COME			
	1.	Sales	10	1,528,022,685	1,084,675,277
	2.	Increase/Decrease in Finished Goods	11	15,068,042	-15,003,923
	3.	Other Income	12	8,048,985	20,505,312
		Total		1,551,139,712	1,090,176,666
II.	EX	PENDITURE			
	1.	Materials consumed	13	882,436,809	593,130,043
	2.	Payment to and Provision for employees	14	193,272,652	159,735,867
	3.	Other expenses	15	252,738,179	203,054,152
	4.	Finance Charges	16	55,690,373	46,590,196
	5.	Depreciation		79,981,704	71,785,907
		Total		1,464,119,717	1,074,296,165
III.	PR	OFIT			
	1.	Balance brought forward		31,167,433	26,354,628
	2.	Profit for the year		87,019,995	15,880,501
		Amount available for appropriation		118,187,428	42,235,129
		Appropriations			
	1.	Tax for current year - Current Tax		12,700,000	-
		- Deferred Tax		8,045,900	11,205,400
	2.	Prior year Taxes		10,468,905	-137,704
	3.	Transfer to General Reserve		2,343,000	-
	4.	Provision for Dividend		7,607,850	-
	5.	Dividend distribution tax		1,234,183	-
	6.	Balance Carried to the Balance Sheet		75,787,590 -	31,167,433
		Total		118,187,428	42,235,129
EPS	;			11.00	0.95

Schedules 10 to 16 and notes on Schedule 17 form part of this Profit and Loss Account

As per our report attached
For N.R. DORAISWAMI & CO

Partner, (Membership No. 207893)

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

Chartered Accountants
(Firm Registration No. 000771S)
Coimbatore (Sd/-) SUGUNA RAVICHANDRAN

(Sd/-) D. RANGANATHAN
Whole Time Director (Finance & Mktg.)

30.05.2011



# CONSOLIDATED ACCOUNTS SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2011

	As at 31st March 2011 Rs.	As at 31stMarch2010 Rs.
SCHEDULE 1 - CAPITAL		
Authorised:		
60,00,000 Equity shares of Rs.10/- each	60,000,000	60,000,000
Issued, Subscribed and Paid up: 50,71,900 Equity shares of Rs.10/-each full paid up (of the above 8,70,000 Equity shares have been allotted		
as fully paid Bonus Shares by capitalisation of Reserves)	50,719,000	50,719,000
Total	50,719,000	50,719,000
SCHEDULE 2 - RESERVES AND SURPLUS		
Share Premium Account	211,642,500	211,642,500
Capital Reserve Account General Reserve	10,082,354	10,082,354
As per last year Balance Sheet	355,119,966	355,119,966
Transfer from Profit and Loss Account during the year	2,343,000	-
Total	357,462,966	355,119,966
Balance in Profit and Loss Account	75,787,590	31,167,433
Total	654,975,410	608,012,253



# CONSOLIDATED ACCOUNTS SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2011

			As at 31st March 2011 Rs.	As at 31st March 2010 Rs.
SCH	EDU	JLE 3 - SECURED LOANS		
A.	Te	rm Loans		
	1. 2.		20,853,000 110,724,717	30,849,000 110,824,903
		(Secured by a charge on the specific items of fixed assets acquired out of the Term Loans and a charge on other Fixed Assets of the subsidiary and the guarantee of the holding company)		
	3.	Technology Development Board  Secured by a first charge on the fixed assets of the holding company and guarantee of two Directors and the subsidiary	75,000,000	55,000,000
		orking Capital Facilities-Cash Credit, Demand Loan,		
B.	firs and	cking Credit and Bills Discounted (Secured by a st charge on current assets, mortgage of factory land d buildings of the holding company and a second cha other moveable fixed assets)		
Б.	firs and	st charge on current assets, mortgage of factory land d buildings of the holding company and a second cha other moveable fixed assets)		124,270,198
Б.	firs and on	st charge on current assets, mortgage of factory land d buildings of the holding company and a second cha other moveable fixed assets) State Bank of India	rge	124,270,198 75,207,631
υ.	firs and on 1.	st charge on current assets, mortgage of factory land d buildings of the holding company and a second cha other moveable fixed assets) State Bank of India Bank of Baroda	rge 96,078,223	
υ.	firs and on 1.	st charge on current assets, mortgage of factory land d buildings of the holding company and a second char other moveable fixed assets) State Bank of India Bank of Baroda Indian Overseas Bank	rge 96,078,223 19,243,758	
υ.	firs and on 1. 2. 3.	st charge on current assets, mortgage of factory land d buildings of the holding company and a second char other moveable fixed assets) State Bank of India Bank of Baroda Indian Overseas Bank	96,078,223 19,243,758 10,087,400	75,207,631 -
υ.	firs and on 1. 2. 3. 4.	st charge on current assets, mortgage of factory land d buildings of the holding company and a second char other moveable fixed assets) State Bank of India Bank of Baroda Indian Overseas Bank Corporation Bank	96,078,223 19,243,758 10,087,400 6,025,786	75,207,631 - 4,560,792
	firs and on 1. 2. 3. 4. 5.	st charge on current assets, mortgage of factory land d buildings of the holding company and a second character other moveable fixed assets)  State Bank of India Bank of Baroda Indian Overseas Bank Corporation Bank Indusind Bank	96,078,223 19,243,758 10,087,400 6,025,786 17,887,129	75,207,631 - 4,560,792 17,116,206
	firs and on 1. 2. 3. 4. 5.	st charge on current assets, mortgage of factory land d buildings of the holding company and a second character other moveable fixed assets)  State Bank of India Bank of Baroda Indian Overseas Bank Corporation Bank Indusind Bank	96,078,223 19,243,758 10,087,400 6,025,786 17,887,129	75,207,631 - 4,560,792 17,116,206
	firs and on 1. 2. 3. 4. 5.	st charge on current assets, mortgage of factory land d buildings of the holding company and a second char other moveable fixed assets)  State Bank of India Bank of Baroda Indian Overseas Bank Corporation Bank Indusind Bank  Total	96,078,223 19,243,758 10,087,400 6,025,786 17,887,129 355,900,013	75,207,631 - 4,560,792 17,116,206 417,828,730
	firs and on 1. 2. 3. 4. 5.	st charge on current assets, mortgage of factory land d buildings of the holding company and a second cha other moveable fixed assets) State Bank of India Bank of Baroda Indian Overseas Bank Corporation Bank Indusind Bank Total  ULE 4-UNSECURED LOANS an from a Company	96,078,223 19,243,758 10,087,400 6,025,786 17,887,129 355,900,013	75,207,631 - 4,560,792 17,116,206 417,828,730 25,288,103
SCH	1. 2. 3. 4. 5. EDU	st charge on current assets, mortgage of factory land discord buildings of the holding company and a second character other moveable fixed assets)  State Bank of India Bank of Baroda Indian Overseas Bank Corporation Bank Indusind Bank  Total  ULE 4-UNSECURED LOANS an from a Company ans from Directors	96,078,223 19,243,758 10,087,400 6,025,786 17,887,129 355,900,013 38,565,237 176,427,246	75,207,631 - 4,560,792 17,116,206 417,828,730 25,288,103 110,830,669
SCH	firs and on 1. 2. 3. 4. 5. EDU	st charge on current assets, mortgage of factory land discord buildings of the holding company and a second character other moveable fixed assets)  State Bank of India Bank of Baroda Indian Overseas Bank Corporation Bank Indusind Bank  Total  ULE 4-UNSECURED LOANS an from a Company ans from Directors  Total	96,078,223 19,243,758 10,087,400 6,025,786 17,887,129 355,900,013 38,565,237 176,427,246	75,207,631 - 4,560,792 17,116,206 417,828,730 25,288,103 110,830,669
SCH	first and on 1. 2. 3. 4. 5. EDU Loa Loa EDU As	st charge on current assets, mortgage of factory land d buildings of the holding company and a second cha other moveable fixed assets)  State Bank of India Bank of Baroda Indian Overseas Bank Corporation Bank Indusind Bank  Total  ULE 4-UNSECURED LOANS an from a Company ans from Directors  Total  ULE 5-DEFERRED TAX LIABILITY (NET)	96,078,223 19,243,758 10,087,400 6,025,786 17,887,129 355,900,013 38,565,237 176,427,246 214,992,483	75,207,631 



# SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2011 CONSOLIDATED ACCOUNTS

# Schedule 6 - Fixed Assets

		GROS	GROSS BLOCK			DEPRECIATION	IATION		NETE	NET BLOCK
Assets	Cost upto 31.03.2010	Additions		Costupto 31.03.2011	Upto 31.03.2010	For the year	For the Withdrawn year during	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
	Rs.	Rs.	Adjustments Rs.	R	Rs.	Rs.	the Year Rs.	Æ	স্থ	Rs.
Land	112,009,847	•	•	112,009,847	•		•	•	112,009,847	112,009,847
Buildings	257,593,400	1,616,454	•	259,209,854	53,672,497	8,554,815	'	62,227,312	196,982,542	203,920,903
Plant & Machinery	987,755,610	68,929,513	23,463,977	1,033,221,146	525,380,039	66,804,614 23,089,582	23,089,582	569,095,071	464,126,075	462,375,571
Vehicles	10,406,706	,	261,679	10,145,027	5,363,805	795,648	261,679	5,897,774	4,247,253	5,042,901
Furniture and Office Equipments	49,057,620	1,277,898	727,065	49,608,453	22,617,507	3,826,627	727,065	25,717,069	23,891,384	26,440,113
Total	1,416,823,183	71,823,865	24,452,721	1,464,194,327	607,033,848	79,981,704	24,078,326	662,937,226	801,257,101	809,789,335
Previous Year	1,384,406,308	34,393,414	1,976,539	1,416,823,183	536,327,938	71,785,907	1,079,997	607,033,848	809,789,335	848,078,370



# CONSOLIDATED ACCOUNTS SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2011

				As at 31st March 2011 Rs.	As at 31stMarch2010 Rs.
SCH	HEDL	JLE 7 - INVESTMENTS			
l.	In (	Government or Trust Securities			
	A.	7 Years National Savings Certificate At 0	Cost	10,500	10,500
	B.	5.5% Non Convertible Redeemable Taxa Series - VI-180 Face Value of Rs. 10000 Rural Electrification Corporation Limited		1,800,000	1,800,000
II.	ln s	Shares and Bonds			
		Non-trade Quoted 1500 Equity Shares of Rs.10/- each in M/s. Lakshmi Machine Works Limited fully paid up at cost.		14,262	14,262
		10000 Equity Shares of Rs.10/-each in M/S. Precision Fasteners Ltd., fully paid to	up at cost.	500,000	500,000
		200 Equity Shares of Rs.10/- each In M/s. IFCI Limited fully paid up at cost.		4,500	4,500
		334 Equity Shares of Rs.10/- Each In State Bank of India, fully paid up at cost		158,560	158,560
			Sub-Total	2,487,822	2,487,822
		Less Investment Fluctuation Reserve		502,340	502,340
			Total	1,985,482	1,985,482
		Aggregate Value of Quoted Investment	- Cost (Rs.)	677,322	
			- Market Value	e (Rs.) <b>4,296,884</b>	
		Aggregate Value of Unquoted Investmen	ts- Cost (Rs.)	1,810,500	



#### CONSOLIDATED ACCOUNTS SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2011

			As at 31st March 2011 Rs.	As at 31st March 2010 Rs.
SCH	EDULE 8 - CURRENT ASSETS, LOANS AND	ADVANCES		
a)	Inventories : Raw Materials Scrap Components and accessories Work-in-Progress Finished Goods Stores and spares		73,567,666 1,093,845 31,600,547 282,411,530 22,926,842 19,247,946	96,920,624 228,828 24,102,907 225,356,894 10,340,811 17,423,415
		Sub Total	430,848,376	374,373,479
b)	<b>Sundry Debtors</b> (Unsecured-considered good) Debts outstanding for a period exceeding six m Other Debts	onths	21,722,777 123,588,251	7,561,607 88,070,772
	Less: Provision for Doubtful Debtors		145,311,028 2,166,762	95,632,379 -
		Sub Total	143,144,266	95,632,379
c)	Cash and Bank balances Cash on hand Cash with Nationalised Banks - In Current Acc - In Deposit Acc - In Unpaid Divide	ount	991,217 470,601 37,468,888 867,601	976,767 6,004,853 36,757,656 869,951
d)	Loans and Advances (Unsecured-considered	Sub Total	39,798,307	44,609,227
uj	Advances recoverable in Cash or in kind- Due Deposits Duty drawback and other receivables Prepaid expenses Advance Tax		43,887,602 6,073,280 47,281,641 1,267,717 26,270,178 124,780,418	47,807,558 9,900,667 60,084,767 1,323,239 48,315,284 167,431,515
		Total	738,571,367	682,046,600
SCH a)	EDULE 9-CURRENT LIABILITIES AND PROVIS Current Liabilities: Liability for supplies and services Liability for expenses	IONS	85,106,932 23,026,958	115,962,300 24,591,932
	Liability for other finance Investor's Education and Protection Fund-Unclai Advance received against sales Interest accrued but not due	med Dividends	9,906,133 867,601 66,082,035 6,744,530	3,479,649 869,951 59,500,807 7,292,345
<b>b</b> \	Provisions	Sub Total	191,734,189	211,696,984
b)	Provision for Incometax Provision for Gratuity Provision for Dividends Provision for Dividend distribution tax		12,700,000 3,200,022 7,607,850 1,234,183	27,078,830 1,781,948 - -
	Dualinainam, Funancea	Sub Total Total	24,742,055 216,476,244	28,860,778 240,557,762
	Preliminary Expenses As per Last Balance Sheet Less: Incurred/written off during the year	Total	120,000 120,000	240,000 120,000 120,000



# CONSOLIDATED ACCOUNTS SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

		Year ended 31st March 2011 Rs.	Year ended 31st March 2010 Rs.
SCHEDULE - 10 SALES			
Gross Turnover		1,541,530,103	1,066,077,119
Less Excise Duty		88,011,129	47,993,306
Sale of Finished goods		1,453,518,974	1,018,083,813
Sale of Power generated		30,725,428	29,719,975
Export Incentives and Benefits		15,479,241	18,934,817
Sale of Scrap and waste		19,881,453	12,395,627
Labour charges		8,417,589	5,541,045
	Total	1,528,022,685	1,084,675,277
SCHEDULE 11 - INCREASE/DECREASE IN FINIS	HED GOODS		
Closing Stock - Finished Goods		22,926,842	8,723,817
Scrap and Waste		1,093,845	228,828
Land	Sub Total	24,020,687	8,952,645
Less Opening Stock -Finished Goods		8,723,817	23,851,969
Scrap and Waste		228,828	104,599
5 - 1 P	Sub Total	8,952,645	23,956,568
	Total	15,068,042	-15,003,923
SCHEDULE 12 - OTHER INCOME Interest receipts (TDS Rs. 206414/- ) Dividend Receipts Profit on Sale of Assets Foreign exchange and Miscellaneous Income	e Total	2,706,349 29,380 1,017,124 4,296,132 8,048,985	2,122,861 34,846 4,797,977 13,549,628 20,505,312
SCHEDULE 13 - MATERIALS CONSUMED Opening Stock			
Raw materials		96,920,624	51,348,974
Components		24,102,907	23,873,000
Work in Progress		225,356,894	214,814,332
Add Purchased during the year		346,380,425 858,558,223	290,036,306 602,755,630
		1,204,938,648	892,791,936
Less: Closing Stock			
Raw materials Components		73,567,666 31,600,547	96,920,624 24,102,907
Work-in-Progress		282,411,530	225,356,894
		387,579,743	346,380,425
Raw materials and components consumed		817,358,905	546,411,511
Add: Stores consumed		65,077,904	46,718,532
Total Materials consumed	Total	882,436,809	593,130,043



## CONSOLIDATED ACCOUNTS SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

		Year ended 31st March 2011 Rs.	Year ended 31st March 2010 Rs.
SCHEDULE 14 - PAYMENT TO AND PROVISION	FOR EMPLO	YEES	
Salary, Wages, Gratuity, etc Contribution to Provident Fund Staff and Welfare expenses		166,493,521 6,064,863 16,217,640	139,121,664 5,798,876 13,670,247
Managerial Remuneration		4,496,628	1,145,080
	Total	193,272,652	159,735,867
SCHEDULE 15 - OTHER EXPENSES			
Fabrication Charges Power and Fuel Freight Printing and Stationery Postage and Telephone Travelling and Vehicle Maintenance Insurance Rent Licences and Taxes Sales commission Sales promotion expenses Subscription and periodicals Directors' sitting fees Auditor's remuneration Legal and Professional charges Repairs and Maintenance-Buildings Repairs and Maintenance-Machinery Repairs and Maintenance-Others Bad debts written off Miscellaneous expenses Foreign exchange fluctuation-loss Donations Preliminiary Expenses written off	Total	72,767,539 76,416,961 6,594,497 2,050,237 3,098,309 14,108,641 934,421 1,839,810 3,698,171 31,884,965 8,683,505 542,944 71,000 150,000 3,539,533 2,429,939 15,674,585 915,613 2,780,238 38,183 4,045,588 353,500 120,000 252,738,179	63,509,700 52,318,093 5,108,012 2,441,839 3,823,399 10,500,652 841,928 2,307,334 3,133,249 31,637,098 5,557,760 366,169 77,500 110,000 3,835,521 1,321,057 13,278,366 660,019 2,066,956 
Interest on Fixed Loans		15,756,426	14,106,726
Interest on others and Bank charges		24,633,185	20,786,186
Interest to Directors		15,300,762	11,697,284
	Total	55,690,373	46,590,196

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 (Finance & Mktg.)

Coimbatore

30.05.2011



# Schedule 17 - ACCOUNTING POLICIES AND NOTES TO CONSOLIDATED PROFIT & LOSS ACCOUNT AND BALANCE SHEET AS AT 31ST MARCH 2011

#### 1 SIGNIFICANT ACCOUNTING POLICIES

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

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

- (B) Accounting policies followed are as set out under "Significant Accounting Policies" of the financial statements of the holding and subsidiary companies
- (C) Depreciation of Subsidiary: Depreciation has been provided on straight-line Method in respect of all the assets in accordance with Schedule XIV of the Companies Act, 1956. Depreciation on additions during the year has been provided on pro-rata for the period for which the assets have been put to use. Wind Turbines have been classified as continuous process plants and depreciated accordingly as has been done in the past. For assets of value less than Rs. 5,000/acquired during the year, 100% depreciation has been provided.

#### (D) Inventory Valuation of Subsidiary:

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

#### II. Notes to Profit and Loss Account and Balance Sheet as at 31st March 2011

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

#### 2. LICENSED AND INSTALLED CAPACITIES

#### Holding company:

The details are given under schedule 17 of the Holding Company

#### **Subsidiary Company:**

	2010-2011	2009-2010
No. of Spindles Installed	14,688	12,480

54



#### 3. FINISHED GOODS

	201	0-11	200	9-10
	Qty in Nos.	Value in Rs.	Qty in Nos.	Value in Rs.
(A) MACHINERY				
(i) Yarn making machinery- no of machines				
a. Opening Stock	_	_	_	_
b. Actual Production	171		185	
c. Sales	170	276,765,752	185	271,896,037
d. Closing Stock	1	1,136,470	_	_
(ii) Automatic Cone Winder (no of machines)		_		
a. Opening Stock	_	_	_	_
b. Actual Production	91	_	54	_
c. Sales	91	613,669,357	54	337,578,503
d. Closing Stock	_	_	_	_
(B) COTTON YARN	(In Kgs.)			
a. Opening Stock	22,495	24,451,918	68,666	7,954,219
b. Production	1,113,126	_	695,427	_
c. Sales	1,052,523	194,339,197	741,598	106,735,111
d. Closing Stock	83,098	16,800,252	22,495	2,451,918
(C) FABRIC & GARMENTS				
a. Sales	_	278,625,472	_	251,078,300
b. Closing Stock	_	4,378,414	_	6,271,899
c. Sale of Waste	_	2,981,326	_	1,997,392
(D) COTTON WASTE				
a. Opening Stock	4,416	119,503	6,718	49,614
b. Production	472,503	_	335,397	_
c. Sales	466,801	13,736,626	337,699	8,934,752
d. Closing Stock	10,118	679,744	4,416	119,503

<sup>\*</sup> Net of Yarn/Waste issued for production



4.	CONSUMPTION OF MATERIALS	2010	-2011	2009	9-2010
A.	Raw Materials	Qty in kgs.	Value in Rs.	Qty in kgs.	Value in Rs.
	1. Non Ferrous and Non - Metallic	372,726	58,210,534	330,278	50,458,837
	2. Rough Castings	367,043	21,318,321	304,516	14,949,155
	3. Ferrous and Ferro Alloys	2,820,998	101,120,162	1,568,616	65,989,932
	4. Cotton	25,71,406	254,209,562	2,019,010	140,012,301
	5. Yarn, Fabric and Accessories for Garments*	I	32,946,892	_	25,025,825
В.	Components				
	1. Electronic Clearers	6,112	78,296,801	3,061	44,737,839
	2. Splicers	5,248	47,213,002	3,264	29,364,184
	3. Other Components*	_	290,307,043	_	173,015,714
	Total		883,622,317		543,553,787

(\*Quantitative details could not be given in respect of yarn, fabrics, accessories for garments and other components, since the list is too large and no item individually accounts for more than 10% of value of total consumption of materials)

#### 5. EXPENDITURE IN FOREIGN CURRENCY

Α.	Value of Imports CIF		2010-2011 Value in Rs.		2009-2010 Value in Rs.
i. ii.	Raw Materials Components, Spares Parts &		17,158,291		18,480,875
	Consumables		278,473,450		146,231,339
iii.	Capital Goods		-		21,017,404
B.	Other matters		2,760,044		2,078,432
C.	Consumption	Value in Rs.	% of Total	Value in Rs.	% of Total
			consumption		consumption
i.	Raw materials-imported	20,061,582	2%	22,056,904	4%
ii.	Raw materials-Indigenous	447,743,888	51%	276,563,494	51%
iii.	Components indigenous	157,744,271	18%	97,284,686	18%
iv.	Components-imported	258,072,576	29%	147,648,703	27%
		883,622,317	100%	543,553,787	100%



6.	Auditors' Remuneration	2010-2011 Value in Rs.	2009-2010 Value in Rs.
	Audit Fees	150,000	110,000
	Certification and other matters *	120,497	59,500
	Reimbursement of expenses *	13,332	9,500
	Total	283,829	179,000

<sup>\*</sup> Debited under Legal & Professional charges and travel expenses

7.	Со	ntingent Liabilities and Claims	2010-2011	2009-2010
	not	acknowledged as Debts	Consol	idated
	a.	Duty liability and interest on account of pending export obligation against EPCG Licences	140.60	94.14
	b.	Income tax liability on expenses disallowed / additions proposed disputed in appeals	88.55	98.55
	C.	Amounts claimed by customs, Excise and Market committee authorities disputed in appeals	22.13	9.24
	d.	Claims from Debtors, Creditors and workmen not acknowledged as debts including interest	28.18	117.71
	e.	Guarantees given on behalf of the Directors or other officers of the Company	_	_
	f.	Guarantees issued by Banks on behalf of the Company	796.82	181.15
	g.	Letter of Credit opened by Banks on behalf of the Company	489.00	285.88
	h.	Guarantee issued on behalf of Subsidiary guaranteed by the Company in which Directors are interested	486.00	418.00
	l.	Estimated amount of contracts remaining to be executed on capital account and not provided for	393.39	24.42
	j.	Credit facilities of Subsidiary guaranteed by the Company - outstanding -both fund based and non-fund based	2,487.00	2,347.00
	k.	Duty liability against Advance Licences for Deemed Exports - Export obligation fulfilled b physical export but not accespted by Government	85.75	81.19
	l.	Estimated amount of capital contracts remaining to be executed	223.93	_
	m.	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	_



8.	Research and Development Expenses incurred (Rs. in Lakhs)	117.65	82.49
9.	Debts due from Companies under the same management	-	_
10.	Debts due by Directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any Director is a partner or a Member-end of the year. There was no amount due by Directors or other officers of the Company at any time during the year.	_	0.50
11.	Amounts included in Sundry Debtors or Loans and Advances which is due from Companies and Firms in which Directors are interested-other than those included in items 10 to 12	-	-
12.	Gain/(Loss) on account of foreign exchange difference included in the profit and loss account	1.21	23.61

The Company does not have any foreign operations and no other exchange variations to be disclosed as in the accounting standard 11. The following are the unhedged foreign exchange assets/liabilities net of advances paid/received.

Creditors/Liability on L/c opened and orders placed for imports and dues under buyer's credit scheme

		Amount in respective currencies	
USD	418,912	781,848	
EURO	565,819	190,332	
JPY	8,450,000	7,500,000	
CHF	761,692	162,840	
Export Receivables			
USD	320,548	743,000	



#### 13. Segment Report for the year ended 31st March 2011

(Rs. in Lakhs)

	31st March 2011			31st March 2010			)	
Revenue	Engg Dvn.	Wind Mill	Textile Dvn	Total	Engg Dvn	Wind Mill	Textile Dvn	Total
External Sales	9908	307	5133	15348	6783	297	3975	11055
Inter Segment Transfers	-15	_	_	-15	_	_	_	-25
Total Revenue	9893	307	5133	15333	6783	297	3975	11030
Result	_	_	_	_	_	_	_	_
Segment Result	929	303	202	1434	457	186	67	710
Unallocated inculding exceptional items	_	_	_	20	_	_	_	-107
Operating Profit	929	303	202	1414	457	187	67	603
Less: Interest Expense	_	_	_	-557	_	_	_	-466
Interest Income	_	_	_	28	_	_	_	22
Income Taxes	_	_	_	-313	_	_	_	-111
Unallocable Income	_	_	_	_	_	_	_	_
Profit from Ordinary Activities	_	_	_	572	_	_	_	48
Extra Ordinary Items	_	_	_	_	_	_	_	_
Net Profit	-	_	_	572	_	_	_	48
Other Information	-	_	_	_	_	_	_	_
Segment Assets	7263	1099	6298	14660	6977	1234	5359	13570
Un allocated Corporate Assets		_	_	3588		_	-	10593
Total Assets		_	_	18248		_	-	24163
Segment Liabilities	1246	1	75	1322	1297	_	133	1430
Un allocated Corporate Liabilities		_	_	16926		_	-	22733
Total Liabilities		_	-	18248		_	-	24163
Capital Expenditure	132	_	586	718	268	_	76	344
Depreciation	524	49	227	800	410	99	209	718
Non Cash Expenditure other than depreciation	_	_	_	-	_	_	_	_



14. Related Party Disclosure	2010-2011	2009-2010
Purchase of goods and services-raw materials, components and engineering job works	112.98	129.86
Sale of machinery, spares, rawmaterials, components and jobworks	32.86	87.39
Sales commission paid	222.15	150.25
Rent paid	14.52	14.52
Managerial remuneration	_	21.05
Unsecured Loans	2149.93	1360.89
Interst paid on loans	153.00	107.50
Finance including loans and equity / Prererence share capital contribution in cash or in kind	_	_
Guarantees and collaterals	486.00	418.00
Outstanding due from the Company	3.16	87.36
Outstanding due to the Company	-	0.50

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

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

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

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

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



- B. Companies/firms with which the Company had no transactions during the year.
  - 1. M/s. Lakshmi Electrical Control Systems Limited
  - 2. M/s. The Krishna Mills Private Limited
  - 3. M/s. Lakshmi Precision Tools Limited
  - 4. M/s. Deluxe Marketing
  - 5. M/s. Deluxe Components
  - 6. M/s. Ranba Castings Limited
  - 7. M/s. Samrajyaa & Co
  - 8. M/s. The Suguna Mills Private Limited.
  - 9. M/s. Magna Electro Castings Limited
  - 10. M/s. Prathishta Weaving & Knitting Co. Ltd
  - 11. M/s. Augustan Knit Wear Pvt. Ltd.
  - 12. M/s. Augustan Textile Colors Limited
  - 13. M/s. Augustan Coimbatore Knitting Company Limited
  - 14. M/s. Kovai Medical Centre and Hospitals Pvt. Ltd.

#### C. Name of the Wholly Owned Subsidiary Company

1. M/s. Veejay Lakshmi Textiles Limited

#### D. Name of the Key Managerial Personnel

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

#### E. Relatives of the Key Managerial Personnel

- 1. Smt. J. Vidya W/o Sri. V.J. Jayaraman
- 2. Smt. Arthi Anand W/o Sri. J. Anand
- 15. 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:

		Gratuity (Funded) 31.03.2011	Gratuity (Funded) 31.03.2010
Α.	Expense recognised during year ended 31.03.2011		
	Current Service cost	693,538	548,256
	2. Interest Cost	556,408	565,359
	3. Expected return on plan assets	(556,447)	(530,242)
	4. Actuarial Losses / (Gains) during the year	1,924,207	(810,768)
	5. Direct payment/Past service cost vested benefits	226,208	1,723,830
	6. Total Expense	2,843,914	1,496,435
В.	Actual return on Plan assets		
	1. Expected return on plan assets	556,447	530,242
	2. Actuarial (Loss) / Gain on Plan assets	53,386	41,857
	3. Actual return on plan assets	609,833	572,099



1. Present value 2. Fair value of p 3. Funded status 4. Unrecognised p 5. Net Asset/(Liab  D. Change in Preser 1. Present value 2. Current service 3. Interest cost 4. Benefits paid 5. Actuarial (gain) 6. Present value  E. Change in Assets 1. Fair value of p 2. Expected retur 3. Contributions r 4. Benefits paid 5. Actuarial gain r 6. Fair value of p  F. Major categories  Qualifying insuran Own plan assets Total  G. Actuarial Assump 1. Discount rate 2. Salary escalati 3. Expected rate 4. Attrition rate		Gratuity (Funded) 31.03.2011	Gratuity (Funded) 31.03.2010
2. Fair value of p 3. Funded status 4. Unrecognised p 5. Net Asset/(Liab  D. Change in Preser 1. Present value 2. Current service 3. Interest cost 4. Benefits paid 5. Actuarial (gain) 6. Present value  E. Change in Assets 1. Fair value of p 2. Expected retur 3. Contributions r 4. Benefits paid 5. Actuarial gain of p 6. Fair value of p F. Major categories Qualifying insuran Own plan assets Total  G. Actuarial Assump 1. Discount rate 2. Salary escalati 3. Expected rate 4. Attrition rate	blility) recognised in the Balance Sh	neet	
3. Funded status 4. Unrecognised   5. Net Asset/(Liat) 5. Net Asset/(Liat) 6. Present value 7. Current service 7. Interest cost 7. Benefits paid 7. Actuarial (gain) 7. Fair value of p 7. Expected retur 7. Contributions r 7. Benefits paid 7. Actuarial gain 7. Actuarial gain 7. Fair value of p 7. Major categories 7. Qualifying insuran 7. Own plan assets 7. Total 7. Contributions r 8. Actuarial Assump 9. Salary escalati 9. Salary escalati 9. Expected rate 9. Attrition rate	of the obligation as on 31.03.2011	9,606,241	7,147,879
4. Unrecognised   5. Net Asset/(Liak)  D. Change in Preser  1. Present value 2. Current service 3. Interest cost 4. Benefits paid 5. Actuarial (gain) 6. Present value  E. Change in Assets 1. Fair value of p 2. Expected retur 3. Contributions r 4. Benefits paid 5. Actuarial gain r 6. Fair value of p  F. Major categories  Qualifying insuran Own plan assets Total  G. Actuarial Assump  1. Discount rate 2. Salary escalati 3. Expected rate 4. Attrition rate	plan assets as on 31.3.2011	6,406,219	6,459,605
D. Change in Preser  1. Present value 2. Current service 3. Interest cost 4. Benefits paid 5. Actuarial (gain) 6. Present value  E. Change in Assets 1. Fair value of p 2. Expected retur 3. Contributions r 4. Benefits paid 5. Actuarial gain r 6. Fair value of p  F. Major categories  Qualifying insuran Own plan assets Total  G. Actuarial Assump 1. Discount rate 2. Salary escalati 3. Expected rate 4. Attrition rate		(3,200,022)	(688,274) -
1. Present value 2. Current service 3. Interest cost 4. Benefits paid 5. Actuarial (gain) 6. Present value  E. Change in Assets 1. Fair value of p 2. Expected retur 3. Contributions r 4. Benefits paid 5. Actuarial gain of p 6. Fair value of p  F. Major categories  Qualifying insuran  Own plan assets  Total  G. Actuarial Assump 1. Discount rate 2. Salary escalati 3. Expected rate 4. Attrition rate	ability) recognised in the Balance she	et <b>(3,200,022)</b>	(688,274)
2. Current service 3. Interest cost 4. Benefits paid 5. Actuarial (gain) 6. Present value  E. Change in Assets 1. Fair value of p 2. Expected retur 3. Contributions r 4. Benefits paid 5. Actuarial gain n 6. Fair value of p  F. Major categories Qualifying insuran Own plan assets Total  G. Actuarial Assump 1. Discount rate 2. Salary escalati 3. Expected rate 4. Attrition rate	ent value of the Obligation during th	ne year ended Mar	ch 31,2011
3. Interest cost 4. Benefits paid 5. Actuarial (gain) 6. Present value  E. Change in Assets 1. Fair value of p 2. Expected retur 3. Contributions r 4. Benefits paid 5. Actuarial gain r 6. Fair value of p  F. Major categories Qualifying insuran Own plan assets Total  G. Actuarial Assump 1. Discount rate 2. Salary escalati 3. Expected rate 4. Attrition rate	of the obligation as at April 1, 2010	7,147,879	7,532,195
4. Benefits paid 5. Actuarial (gain) 6. Present value  E. Change in Assets 1. Fair value of p 2. Expected retur 3. Contributions r 4. Benefits paid 5. Actuarial gain n 6. Fair value of p  F. Major categories Qualifying insuran Own plan assets Total  G. Actuarial Assump 1. Discount rate 2. Salary escalati 3. Expected rate 4. Attrition rate	pe cost	693,538	548,256
5. Actuarial (gain) 6. Present value  E. Change in Assets 1. Fair value of p 2. Expected retur 3. Contributions r 4. Benefits paid 5. Actuarial gain of p 6. Fair value of p  F. Major categories  Qualifying insuran Own plan assets Total  G. Actuarial Assump 1. Discount rate 2. Salary escalati 3. Expected rate 4. Attrition rate		556,408	565,359
E. Change in Assets  1. Fair value of p 2. Expected retur 3. Contributions r 4. Benefits paid 5. Actuarial gain n 6. Fair value of p  F. Major categories  Qualifying insuran Own plan assets Total  G. Actuarial Assump 1. Discount rate 2. Salary escalati 3. Expected rate 4. Attrition rate		(159,344)	
E. Change in Assets  1. Fair value of p  2. Expected retur  3. Contributions r  4. Benefits paid  5. Actuarial gain n  6. Fair value of p  F. Major categories  Qualifying insuran Own plan assets Total  G. Actuarial Assump  1. Discount rate  2. Salary escalati  3. Expected rate  4. Attrition rate	n) / loss on obligation	1,367,760	
1. Fair value of p 2. Expected retur 3. Contributions r 4. Benefits paid 5. Actuarial gain r 6. Fair value of p  F. Major categories  Qualifying insuran Own plan assets Total  G. Actuarial Assump 1. Discount rate 2. Salary escalati 3. Expected rate 4. Attrition rate	of obligation as at March 31,2011	9,606,241	7,147,879
2. Expected retur 3. Contributions r 4. Benefits paid 5. Actuarial gain r 6. Fair value of p  F. Major categories  Qualifying insuran Own plan assets Total  G. Actuarial Assump 1. Discount rate 2. Salary escalati 3. Expected rate 4. Attrition rate	ts during the year ended March 31,	2011	
2. Expected retur 3. Contributions r 4. Benefits paid 5. Actuarial gain r 6. Fair value of p  F. Major categories  Qualifying insuran Own plan assets Total  G. Actuarial Assump 1. Discount rate 2. Salary escalati 3. Expected rate 4. Attrition rate	plan assets as at April 1, 2010	6,459,605	6,379,196
<ul> <li>3. Contributions r</li> <li>4. Benefits paid</li> <li>5. Actuarial gain r</li> <li>6. Fair value of p</li> <li>F. Major categories</li> <li>Qualifying insuran</li> <li>Own plan assets</li> <li>Total</li> <li>G. Actuarial Assump</li> <li>1. Discount rate</li> <li>2. Salary escalati</li> <li>3. Expected rate</li> <li>4. Attrition rate</li> </ul>		556,447	530,242
<ul> <li>5. Actuarial gain 6. Fair value of p</li> <li>F. Major categories <ul> <li>Qualifying insuran</li> <li>Own plan assets</li> <li>Total</li> </ul> </li> <li>G. Actuarial Assump <ul> <li>Discount rate</li> <li>Salary escalati</li> <li>Expected rate</li> <li>Attrition rate</li> </ul> </li> </ul>	•	332,166	237,330
<ul> <li>5. Actuarial gain 6. Fair value of p</li> <li>F. Major categories <ul> <li>Qualifying insuran</li> <li>Own plan assets</li> <li>Total</li> </ul> </li> <li>G. Actuarial Assump <ul> <li>Discount rate</li> <li>Salary escalati</li> <li>Expected rate</li> <li>Attrition rate</li> </ul> </li> </ul>		(385,552)	
<ul> <li>6. Fair value of p</li> <li>F. Major categories <ul> <li>Qualifying insuran</li> <li>Own plan assets</li> <li>Total</li> </ul> </li> <li>G. Actuarial Assump <ul> <li>1. Discount rate</li> <li>2. Salary escalati</li> <li>3. Expected rate</li> <li>4. Attrition rate</li> </ul> </li> </ul>	/ (loss) on plan assets	(556,447)	·
Qualifying insuran Own plan assets Total  G. Actuarial Assump  1. Discount rate 2. Salary escalati 3. Expected rate 4. Attrition rate	plan assets as at March 31, 2011	6,406,219	6,459,605
Own plan assets Total  G. Actuarial Assump  1. Discount rate 2. Salary escalati 3. Expected rate 4. Attrition rate	s of plan assets as a percentage of	total plan	
G. Actuarial Assump  1. Discount rate 2. Salary escalati 3. Expected rate 4. Attrition rate	nce policies	1,563,001	1,948,553
<ul> <li>G. Actuarial Assump</li> <li>1. Discount rate</li> <li>2. Salary escalati</li> <li>3. Expected rate</li> <li>4. Attrition rate</li> </ul>	·	4,843,218	4,511,052
<ol> <li>Discount rate</li> <li>Salary escalati</li> <li>Expected rate</li> <li>Attrition rate</li> </ol>		6,406,219	6,459,605
<ol> <li>Salary escalati</li> <li>Expected rate</li> <li>Attrition rate -</li> </ol>	ptions		
<ul><li>3. Expected rate</li><li>4. Attrition rate</li></ul>		8.00%	8.00%
<ul><li>3. Expected rate</li><li>4. Attrition rate</li></ul>	tion	5.00%	5.00%
4. Attrition rate -	e of return on plan assets	8.65%	8.65%
-	•	_	_
	- VLTL	2.00%	No explicit
<ol><li>Mortality rate -</li></ol>	- VJLEW	LIC 94-96 Rates	LIC 94-96 Rates
-	- VLTL		LIC 96-98 Rates



#### 16. Deferred Tax Liability

(Amount in Rs.)

Nature of Item	2010-11		2009-10	
	Value	Tax Amount	Value	Tax Amount
Deferred Tax Liability	_	95,510,000	_	95,262,150
Deferred Tax Assets	_	46,759,200	_	54,557,250
Net Deferred Tax Liability	_	48,750,800	_	40,704,900
Deferred Tax Liabilities / Assets:				
On account of Depreciation - Liability	288,158,800	95,510,000	295,846,727	95,262,150
On account of timing difference like Gratuity, Bonus and VRS Payments -				
Asset	139,104,400	46,759,200	168,068,777	54,557,250

- 17. The Company has no sole selling agents. The entire sales commission has been paid to other agents.
- Dues to MSME-As on 31.3.2011-(Based on information available with the Company about the status of the suppliers. Very few suppliers have intimated the Company about their status as Micro or Small enterprises)

**6.78** 33.64

19. Provision for Provident Fund included in Current Liabilities

3.53

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#### 20. Earnings per share (Face value Rs.10/- per share)

(Amount in Rs.)

Particulars	31.03.2011 Rs.	31.03.2010 Rs.
Profit for the year as per Profit and Loss account	87,019,995	17,947,457
Less : Taxes	31,214,805	13,134,652
Profit After Tax	55,805,190	4,812,805
Number of Shares	5,071,900	5,071,900
EPS / Diluted EPS	11.00	0.95

21. Figures have been rounded off to the nearest rupee and previous year figures have been regrouped/rearranged wherever necessary.

As per our report attached
For N.R. DORAISWAMI & CO
Chartered Accountants

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

Coimbatore 30.05.2011

(Firm Registration No. 000771S)
(Sd/-) SUGUNA RAVICHANDRAN
Partner, (Membership No. 207893)

(Sd/-) D. RANGANATHAN Whole Time Director (Finance & Mktg.)



#### CONSOLIDATED BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

#### I. REGISTRATION DETAILS:

**Total Liabilities** 

 Registration Number
 181-000705

 State Code
 18

 Balance Sheet Date
 31.03.2011

 CIN No.
 1.29191TZ1974PL C000705

II. CAPITAL RAISED DURING THE YEAR (Rs. in Lakhs)

Public Issue Nil Rights Issue Nil

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS: (Rs. in Thousands)

Total Assets 1325338 Sources of Funds Paid - up Capital 50719 Reserves & Surplus 654975 Deferred Tax Liability 48751 Secured Loans 355900 Unsecured Loans 214993 Application of Funds Net Fixed Assets 801257

Investments 1986
Net Current Assets 522095
Accumulated losses –

IV. PERFORMANCE OF THE COMPANY: (Rs. in Thousands)

 Turnover
 1528023

 Profit Before Tax
 88519

 Profit After Tax
 55805

 Earnings per share (Rs.)
 11.00

 Dividend
 1.50 per share

# V. GENERIC NAMES OF THREE PRINCIPAL SERVICES OF THE COMPANY (As per monetary Terms)

Item code No.84.45Product DescriptionTextile Machinery

As per our report attached (Sd/-) V.J. JAYARAMAN (Sd/-) J. ANAND For N.R. DORAISWAMI & CO Chairman Cum Managing Director Managing Director

Chartered Accountants
(Firm Registration No. 000771S)
(Sd/-) SUGUNA RAVICHANDRAN

Coimbatore (Sd/-) SUGUNA RAVICHANDRA 30.05.2011 Partner, (Membership No. 207893) (Sd/-) D. RANGANATHAN
Whole Time Director (Finance & Mktg.)

1325338



#### CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2011

		Year ended 31st March 2011	Year ended 31st March 2010
Α.	Cash Flow from Operating Activities		
	Net Profit Before Tax and extra ordinary item	870.20	158.81
	Adjustments for :		
	Depreciation	799.82	717.86
	Interest paid	556.90	465.90
	Loss on sales of Investments	-	-
	Profit on sale of Investments/Assets	-10.17	-47.98
	Preliminary expenses	1.20	1.20
	Interest/Dividend Income	-27.36	-21.58
	Operating Profit before working capital changes	2190.59	1274.21
	Decrease in Trade and Other Receivables	-269.95	-739.42
	Increase/(Decrease) in Payables	-898.27	753.86
	Decrease/(Increase) in Inventories	-564.75	-422.84
	Cash generated from operations	457.62	865.81
	Direct Taxes paid	-155.03	-1.76
	Cash flow before extra ordinary items	302.59	864.05
	Donations paid	-	-
	Prior year expenses/income	-	-
	Net Cash from Operating Activities	302.59	864.05
В.	Cash Flow from Investing Activities		
	Purchase of Fixed Assets	-718.24	-343.94
	Sale of Fixed Assets	13.92	56.95
	Investment in subsidiary	-	-
	Sale of Investments	-	-
	Interest received	27.95	21.23
	Dividend received	0.29	0.35
	Net cash used for Investing Activities	-676.08	-265.41
C.	Cash flow from Financing Activities		
	Repayment of Long Term borrowings	887.78	227.01
	Dividends paid	-0.02	-0.08
	Interest paid	-562.38	-429.42
	Preliminary Exp	-	-
	Net cash from financing activities	325.38	-202.49
	Net Increase in cash and cash equivalents	-48.11	396.15
	Cash and Cash equivalents as at 31.3.2010	446.09	49.94
	Cash and Cash equivalents as at 31.3.2011	397.98	446.09

As per our report attached For N.R. DORAISWAMI & CO Chartered Accountants & Auditors (Sd/-) V.J. JAYARAMAN Chairman Cum Managing Director

(Sd/-) J. ANAND
or Managing Director
(Sd/-) D. RANGANATHAN
Whole Time Director (Finance & Mktg.)

Coimbatore 30.05.2011

(Sd/-) SUGUNA RAVICHANDRAN