



VEEJAY LAKSHMI ENGINEERING WORKS LIMITED

THIRTY SEVENTH ANNUAL REPORT 2011-2012

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**BOARD OF DIRECTORS**

**Sri V.J.JAYARAMAN**  
Chairman cum Managing Director

**Sri N. M. ANANTHAPADMANABHAN**

**Sri B. SELVARAJAN**

**Sri N. ATHIMOOLAM NAIDU**

**Sri J. VIJAYAKUMAR**

**Sri J. ANAND**  
Managing Director

**Sri B. SRIRAM**

**Sri D. RANGANATHAN**  
Whole Time Director

**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  
Vellamada (P.O.)  
Coimbatore 641 110

**WIND MILLS**

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

**Wholly-owned Subsidiary Company :**

**VEEJAY LAKSHMI TEXTILES LIMITED**

**Registered Office**  
Sengalipalayam, N.G.G.O. Colony Post  
Coimbatore 641 022



## NOTICE OF THE THIRTY SEVENTH ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty-seventh Annual General Meeting of the Company will be held on Thursday, 27<sup>th</sup> September, 2012 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:

1. To consider and adopt the Audited Accounts of the Company for the year ended 31st March 2012, the Report of the Board of Directors to the shareholders and the Report of the Auditors of the Company.
2. To appoint a Director in place of Sri. B. Selvarajan, who retires by rotation, and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sri. N. Athimoolam Naidu, who retires by rotation, and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Sri. D. Ranganathan, who retires by rotation, and being eligible offers himself for re-appointment.
5. 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:

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

Resolved that in accordance with the provisions of Sections 198, 269, 309, 349, 350 and other applicable provisions, if any of the Companies Act, 1956 and Schedule XIII as amended, consent of the Company be and is hereby accorded for re-appointment of Sri V.J. Jayaraman as Managing Director of the Company for a further period of three years from 25.8.2012 on the following terms.

#### a) Salary

Rs. 4,00,000/- per month

#### b) Commission

Such remuneration by way of commission, in addition to the salary and perquisites and allowance payable, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors of the company at the end of each financial year, subject to overall ceilings stipulated in Sections 198 and 309 of the Companies Act, 1956. The commission amount shall, however, in no case exceed the annual salary amount and will be payable annually after the annual accounts have been approved by the Board of Directors and adopted by the shareholders.

#### c) Perquisites

Perquisites allowed in addition to salary and commission.

### CATEGORY A

#### Medical Reimbursement

Medical expenses incurred for self and family, subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.

#### Leave Travel Concession

For self and family once in a year in accordance with the rules of the Company.

#### Club Fees

Fees of club, subject to a maximum of two clubs excluding admission and life membership fees.

#### Personal Accident Insurance

Premium not to exceed Rs. 4,000/- per annum.



## CATEGORY B

The Managing Director shall be entitled to reimbursement of all actual expenses including expenses on entertainment and traveling incurred in the course of the Company's business.

The Company shall provide a car with driver and telephone facility at the residence of the Managing Director.

Provision of a car with driver for use on Company's business and telephone facility at his residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Managing Director.

Resolved further that in the event of no profits or inadequacy of profits, the remuneration payable to Sri. V.J. Jayaraman, Managing Director by way of salary and perquisites shall not exceed the limits specified in Section II of Part II of Schedule XIII as amended from time to time.

RESOLVED FURTHER THAT the above subject with necessary explanatory statement be included in the Agenda of the General Meeting Notice to be sent to the members of the Company.

Sri V.J. Jayaraman, Sri J. Vijayakumar and Sri J. Anand being interested in the item did not participate in the discussion of or vote at the resolution.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

### Item No: 6

As the tenure of Sri. V. J. Jayaraman as Managing Director of the Company expires on 25.08.2012, in the best interest and progress of the Company, it is proposed to re-appoint Sri.V.J. Jayaraman as Managing Director for a further period of three years from 25.08.2012 to 24.08.2015. The Board of Directors at their meeting held on 28.05.2012 have proposed to re-appoint Sri. V.J.Jayaraman as Managing Director of the Company, who is already the Managing Director of the Company for a period of three years with effect from 25.08.2012. The Remuneration Committee at their meeting held on 25.08.2012 has recommended the remuneration payable to the Managing Director as detailed in the item no 2. The re-appointment and payment of remuneration of Sri. V.J.Jayaraman as Managing Director of the Company is subject to the approval of the members by a Special Resolution.

Your Directors recommend the resolution as set out in Item No.13. of the Agenda for approval of the members.

### Memorandum of Interest:

Sri.V.J.Jayaraman the appointee Director and Sri J. Vijayakumar and Sri J. Anand, being relatives of the appointee Director, are concerned or interested in this resolution.

This may also be treated as a memorandum of interest pursuant to Section 302(2) of the Companies Act, 1956.

The particulars, as required to be furnished under Section II of Part II of Schedule XIII, are given below:

### I – General Information

1. Nature of Industry: Manufacture of Textile machinery-twisters and winders (capital goods for textile spinning mills)
2. Date of commercial production: Manufacturing since 1976
3. Financial performance based on given indicators

Rs. in lakhs

Financial Performance	2007-08	2008-09	2009-10	2010-11	2011-12
Total Sales and other Income	9,194	3,492	7,290	10,054	5,882
Profit After Taxes	1,422	-779	174	469	4
Dividend Paid	51	Nil	Nil	76	Nil
Rate of Dividend %	10%	Nil	Nil	15%	Nil



4. Export Performance and net foreign exchange earnings: (for the year 2011-12)
  - a. Physical Exports Rs.138 lakhs
  - b. Deemed Exports Rs.765 lakhs
  - c. Forex outflow on imports and other matters Rs.1,731 lakhs
  - d. Net Foreign Exchange earnings/(outflow) (a-c)=(Rs.1,593 lakhs)
5. Foreign Investments or Collaborations, if any: The Company earlier had collaborations/joint ventures with reputed companies in Europe and all of them have expired. At present there is no collaboration or foreign investment.

## II. Information about the appointee:

### 1. Background details

Name: Sri V.J. Jayaraman

Date of Birth/Age: 12/3/1942 –70 years

Qualification: B.Sc., B.S. in Textile Engineering from Lowell Technological Institute, Massachusetts, USA and a Postgraduate course in Engineering Administration from Syracuse University, USA.

Experience: More than 40 years experience in management/administration of textile machinery manufacturing companies as Director/Managing Director and has been involved in number of successful collaborations.

### 2. Past Remuneration:

(Values in Rs.)

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Salary	48,00,000	24,00,000*	Nil	Nil	Nil
Perquisites	40,807	37,329	47,099	44,461	34,307
Commission	Nil	Nil	Nil	Nil	Nil

\*For six months period

3. Recognition or Awards: Has been member/chairman of various associations/councils like Textile Machinery Manufacturers Association, Development Council for Textile Machinery, Confederation of Indian Industry etc.
4. Job Profile and suitability: Overall control of the management/affairs of the Company. Actively involved in all corporate planning and business strategies. Mr.V.J.Jayaraman is one of the founder/promotor Directors and has been involved in the management since the inception of the Company He has a rich experience of more than 40 years in the line of business of the Company.
5. Remuneration proposed: As given in the resolution.
6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant detail would be with respect to the country of his origin): The proposed remuneration to Mr. V.J.Jayaraman is as prevalent according to the industry standards.
7. Pecuniary relationship: He is not directly having any pecuniary relationship. Few companies in which he is a Director and the firm in which he is a partner are having business transactions with the Company.

## III. Other Information

1. Reasons for loss or in-adequacy of profits: The in-adequacy of profit is mainly due to fall in demand due to the recession in textile industry and the general recession worldwide.
2. Steps taken or proposed to be taken for improvement: Measures have been taken to reduce cost in all other areas and the benefit of the cost reduction is reflected in the selling price of the products to be competitive in the market. New products/models are being developed to improve the market share.



3. Expected increase in the Productivity/Profits in measurable terms: The in-adequacy of profit is mainly due to fall in demand/sales due to recession. If the demand picks up and if the Company is able to get regular orders as in the past, the performance will be similar to the levels of financial year 2010-11 mentioned above.

**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. B. Selvarajan, Sri N. Athimoolam Naidu and Sri D. Ranganathan, 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, 3<sup>rd</sup> 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 16.9.2012 to 27.9.2012 (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 2004-05 to 2010-11 are requested to write to M/s. S.K.D.C. Consultants Limited, Kanapathy Towers, 3<sup>rd</sup> 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, the Company proposes to send the above documents in electronic form to the email 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 are requested to intimate their e-mail address to their respective Depository Participants at the earliest. For the members whose email addresses are already available with the Company/Registrar the notice and annual report will be sent by email.
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.

Coimbatore  
28<sup>th</sup> May, 2012

By Order of the Board  
**(Sd/-) V.J. Jayaraman**  
Chairman cum Managing Director

**DIRECTORS' REPORT TO THE SHARE HOLDERS**

Ladies and Gentlemen,

Your Directors present their report and accounts of the Company for the year ended 31<sup>st</sup> March 2012.

**FINANCIAL RESULTS**

	2011-12	2010-11
	Rs. in Lakhs	Rs. in Lakhs
Sales Turnover	5,863.61	10,048.40
Profit before Depreciation and taxes	575.39	1,293.39
Depreciation	515.61	523.63
Net Profit	59.78	769.76
Balance brought forward from Profit and Loss account	1,176.76	819.97
Amount available for appropriation	1,236.54	1,589.73
<b>APPROPRIATIONS / ADJUSTMENTS</b>		
Provision for Taxes - Current Year	59.00	127.00
- Deferred Tax	-11.59	69.95
Prior year Taxes	7.93	104.17
Provision for Dividends	-	76.08
Dividend Distribution Tax	-	12.34
Transfer to Generation Reserve	-	23.43
Balance carried to Balance Sheet	1,181.20	1,176.76
<b>Total</b>	<b>1,236.54</b>	<b>1,589.73</b>

**PROFITS/DIVIDENDS**

The workings during the year 2011-12 has resulted in a Profit before tax of Rs.60 Lakhs as against Rs.770 Lakhs in the previous year. The fall in the profit is due to fall in the sales turnover. As the profits are lower no dividend is recommended for the year.

**OPERATIONS**

There has been a significant drop in the sales turnover due to the recession in the textile industry. The sales turnover from sale of textile machinery and spares during the year under review is only Rs.5,634 Lakhs as against Rs. 9,814 Lakhs in the previous year. The income from the wind mill is also lower due to low generation and restrictions on wheeling/banking by the Electricity Board.

**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**

There has not been any additional borrowings/limits availed during the year and the working capital limits have been renewed at the existing levels. The repayment of the Term loan from Technology Development Board has commenced and the loan outstanding has come down to Rs.668 lakhs. All interest payments due have been paid in time without any delay.

## **R&D**

The focus is on developing new models and new products. The new model of Automatic Cone Winder developed is still under trials in mill working conditions.

## **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. 285 lakhs as unsecured loans from Directors. There are no overdue/unclaimed deposits as at 31.3.2012.

## **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. B. Selvarajan, Sri N.Athimoolam Naidu and Sri D. Ranganathan 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/re-appointed in the ensuing Annual General Meeting is given in the Annexure to this report.

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 ACTS, 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

1. that the appropriate accounting standards have been followed in the preparation of the annual accounts.
2. that your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable 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 31<sup>st</sup> March 2012.
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  
28<sup>th</sup> May, 2012

**(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.63.38 Lakhs (Previous Year : 117.65 Lakhs)

c) Total R & D expenditure Rs.63.38 lakhs (Previous Year Rs. 117.65 Lakhs)

d) Total R & D expenditure as a percentage of turnover :1.08% (Previous Year 1.17%)

##### 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	:	} Not Applicable
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	:	

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Rs. in lakhs

	<b>31.3.2012</b>	31.3.2011
<b>TOTAL FOREIGN EXCHANGE EARNED</b>		
Sale of machinery and spares	<b>138</b>	640
<b>TOTAL FOREIGN EXCHANGE USED</b>		
Capital Goods imported - CIF	6	42
Raw materials, Components, Spares and Consumables imported-CIF	1,703	2,881
Other matters-Travelling, books and periodicals, interest, etc.	22	28
<b>Total</b>	<b>1,731</b>	2,951
Deemed Exports (Supplies to EOUs, EPCG Licence Holders, etc)	<b>765</b>	2,827

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

Name of the Director	Sri. B. Selvarajan
Date of birth	13.5.1942
Date of appointment	11.9.1975
Expertise in specific functional area	Management (Textiles)
Qualification	L.T.M.
<b>List of Outside Directorship</b>	
	1. M/s. The Suguna Mills P Ltd 2. M/s. Veejay Syntex P Ltd 3. M/s. Veejay Lakshmi Textiles Ltd
<b>Membership in Committees</b>	
a. Audit committee	1. M/s.Veejay Lakshmi Engineering Works Ltd.-member 2. M/s. Veejay Lakshmi Textiles Ltd.-Member
b. Shareholders' committee	Nil
c. Remuneration committee	1. M/s. Veejay Lakshmi Engg Works Ltd
d. Share transfer committee	Nil

Name of the Director	Sri. N.Athimoolam Naidu
Date of birth	19.4.1943
Date of appointment	24.10.2000
Expertise in specific functional area	Management (Industrial Engineering)
Qualification	B.E. M.S.



<b>List of Outside Directorship</b>	
	<ol style="list-style-type: none"> <li>1. M/s. Augustan Knit Wear P Ltd</li> <li>2. Ms. Augustan Textile Colors Ltd</li> <li>3. M/s Augustan Coimbatore Knitting Company Ltd.</li> </ol>
<b>Membership in Committees</b>	
<ol style="list-style-type: none"> <li>a. Audit committee</li> <li>b. Shareholders' committee</li> <li>c. Remuneration committee</li> <li>d. Share transfer committee</li> </ol>	<p>Nil</p> <p>1. M/s. Veejay Lakshmi Engg. Works Ltd. - Chairman</p> <p>Nil</p> <p>Nil</p>

<b>Name of the Director</b>	<b>Sri. D. Ranganathan</b>
Date of birth	28.4.1952
Date of appointment	24.6.2005
Expertise in specific functional area	Financial Management
Qualification	B.Com. M.B.A.
<b>List of Outside Directorship</b>	<ol style="list-style-type: none"> <li>1. M/s. Veejay Lakshmi Textiles Ltd</li> <li>2. M/s. Veejay Sales and Services Ltd</li> </ol>
<b>Membership in Committees</b>	
<ol style="list-style-type: none"> <li>a. Audit committee</li> <li>b. Shareholders' committee</li> <li>c. Remuneration committee</li> <li>d. Share transfer committee</li> </ol>	<p>Nil</p> <p>Nil</p> <p>Nil</p> <p>1. Veejay Lakshmi Engineering Works Ltd</p>

**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, 2011 to March 31, 2012 four Board Meetings were held on the following dates 30.05.2011, 28.07.2011, 10.11.2011, 02.02.2012.

Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM	No. of other Directorships	Committee Membership	
					Member	Chairman
Sri. V.J.Jayaraman	CMD	4	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	3	No	3	3	None
Sri. N. Athimoolam Naidu	NEID	3	Yes	3	1	None
Sri. B.Sriram	NEID	3	No	2	2	None
Sri.N.M.Ananthapadmanabhan	NEID	4	Yes	1	–	4
Sri. D.Ranganathan	WTD	4	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:**

- To oversee the Company's financial reporting process and disclosure of financial information.
- 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.
- 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.



Name of Member	Status	No of Meetings Attended
Sri. B. Sriram	Member	3
Sri. B. Selvarajan	Member	3
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 31.3.2012.

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

##### (B) Details of remuneration for the year 2011-12

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

Name & Designation	Salary & perquisites in Rs.
Sri V.J. Jayaraman Chairman cum Managing Director	34,307
Sri J. Anand Managing Director	3,373,126
Sri. D. Ranganathan Whole Time Director	1,040,256
<b>Total</b>	<b>4,447,689</b>

###### (b) Non-Executive Directors:

Name of the Director	Sitting Fees paid in Rs.	Commission
Sri. J. Vijayakumar	10,000	Nil
Sri. B. Selvarajan	12,000	Nil
Sri. N. Athimoolam Naidu	7,500	Nil
Sri. B. Sriram	12,000	Nil
Sri. N.M. Ananthapadmanabhan	16,000	Nil
<b>Total</b>	<b>57,500</b>	<b>Nil</b>

**(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 2011-12 no complaints were received from shareholders and Investors.

All valid requests for share transfer received during 2011-12 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
2010-11	15.09.2011	10.45 AM	Nani Palkhivala Auditorium, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 37.
2009-10	29.09.2010	11.00 AM	-Do-
2008-09	24.09.2009	10.00 AM	-Do-

During the last three Annual General Meetings,

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

2010-2011 : A special resolution was passed for extension of the appointment and remuneration payable to Mrs Arthi Anand, a relative of the Managing Directors.

No matters requiring postal balloting are placed for shareholders approval at this meeting. Special resolution is proposed for re-appointment of Sri V.J. Jayaraman as Managing Director for a further period of three years from 25.8.2012.

**(7) Disclosures:**

1. 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 Financial Express and Malai Malar.
- b) The annual results are made available on the website of the Company [www.veejaylakshmi.com](http://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:

1. Annual General Meeting is proposed to be held at Thursday 27<sup>th</sup> September 2012 at 10.45 AM at Nani Palkhivala Auditorium, Mani Higher Secondary School Premises, Coimbatore – 641 037
2. Financial calendar: 2012-13  
 Annual results of previous year 28<sup>th</sup> May, 2012  
 Annual General Meeting 27<sup>th</sup> September, 2012  
 First quarter results Before 15.08.2012  
 Second quarter/half yearly results Before 15.11.2012  
 Third quarter results Before 15.02.2013
3. Date of Book Closure 16.9.2012 to 27.9.2012
4. Listing on Stock Exchanges Bombay Stock Exchange
5. Stock Code 522267 (BSE)
6. **Stock Market price data for the year 2011-12.**

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

Date	High (Rs.)	Low (Rs.)
April 2011	87.90	47.20
May 2011	68.80	54.75
June 2011	66.70	49.10
July 2011	56.00	49.45
August 2011	55.60	39.90
September 2011	50.00	41.55
October 2011	45.00	38.10
November 2011	46.30	29.00
December 2011	34.50	23.30
January 2012	39.00	26.55
February 2012	38.90	31.00
March 2012	32.60	27.00

## 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, 3<sup>rd</sup> 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 shares transfer committee, which meets as and when required.

### 9. Distribution of shareholding as on 31st March 2012

No. of Shares	No. of Shareholders	% of Shareholders	Shareholding in Rs.	% of Shareholding
Up to 500	6,783	93.24	8,334,560	16.43
501 – 1000	250	3.44	2,025,450	3.99
1001 – 2000	120	1.65	1,817,920	3.58
2001 – 3000	42	0.58	1,049,970	2.07
3001 – 4000	24	0.33	846,330	1.67
4001 – 5000	10	0.14	464,660	0.92
5001 – 10000	24	0.32	1,783,980	3.52
10001 and above	22	0.30	34,396,130	67.82
<b>Total</b>	<b>7,275</b>	<b>100.00</b>	<b>50,719,000</b>	<b>100.00</b>

### 10. Categories of Shareholders as on 31st March, 2012

Category	No. of Shares Held	% of Shareholding
<b>Promoter Holding</b>		
1. Promoter Holding – Indian Promoter	30,68,492	60.50
<b>Public Share Holding</b>		
2. Mutual Funds and UTI	200	0.01
3. Banks, Fin. Institutions, Insurance Companies, Govt. Companies	600	0.01
4. FIIS	–	–
<b>Others</b>		
5. Directors & Relatives*	73,040	1.44
6. Private Corporate Bodies	2,20,481	4.35
7. Indian Public	16,85,226	33.22
8. NRI's/OCB's	23,861	0.47
<b>Total</b>	<b>50,71,900</b>	<b>100.00</b>

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



### 11. Dematerialisation of Shares:

As on 31st March 2012, 37.60% of the Company's total shares representing 19,07,286 shares were held in dematerialized form and the balance 31,64,614 shares representing 62.40 % of the Company's total shares were in physical form.

### 12. Secretarial Audit Report:

The Secretarial Audit Report of the Company, 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 31<sup>st</sup> March 2012.

Coimbatore  
28.5.2012

**Sd/- J. Anand**  
Managing Director

The Managing Director (CEO) and the Whole Time Director (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.

1. Engg. Unit – I : Sengalipalayam, Coimbatore - 641 022
2. Engg. Unit – II & III: Kariyampalayam, Annur, Coimbatore - 641 653
3. Engg. Unit IV : Athippalayam Road, Vellamadai (P.O), Coimbatore - 641 110
4. Wind Mills : 1. Kethanur, Palladam, Tirupur - 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, 3<sup>rd</sup> 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, 2012, 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, 2012.

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  
28.05.2012

(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 unfavourable market conditions both for cotton and yarn has affected the workings of the textile industry and this has in turn affected the performance of the Company and there is a drop in the sales of both the products Two for one Twister and the Automatic Cone Winders. The sale of Twisters is 48 nos. of value Rs.722 Lakhs as against 170 nos. of value Rs.2,768 Lakhs in the previous year. The sale of winders is 59 nos. of value Rs.4,078 Lakhs as against 91 nos. of value Rs.6,137 Lakhs in the previous year.

Assembly/Random winder sales has increased from Rs.75 Lakhs to Rs.100 lakhs. The facilities available to produce Aluminium die cast and Plastic injection moulded components have been used only for in-house requirement of components.

The income from windmills is Rs.138 lakhs as against Rs.141 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 and previous year.

#### RISKS & CONCERNS:

The user industry for the company's products is affected by the factors like vagaries in the price and frequent changes in the policy of Govt. on export of cotton, fluctuation in the demand and price of yarn, very low capacity utilization due to non availability of power and also labour. This is having a direct impact on the prospects of our Company. The competition from foreign manufacturers and inability to keep pace with the technological advancement of the competitors is also affecting the Company's position in the market.

#### OUTLOOK

There is some improvement in the market prices for both cotton and yarn from the first quarter of this calendar year but textile mills are still not able to work to full capacity due to non availability of power, particularly for mills in South. The situation is expected to improve by third/fourth quarter and textile mills



are expected to make investments for modernization/expansion only after they improve their liquidity position with the internal accruals.

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.

#### **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  
28.05.2012

**(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, 2012 the Profit and Loss Statement 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 Statement 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 Statement 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, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 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, 2012;
    - b) in the case of Profit and Loss Statement, 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)

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

Coimbatore  
28.05.2012



## 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 5 parties. The maximum amount involved during the year was ₹340.93 lakhs and the year end balance of loans taken from such parties was ₹ 284.93 lakhs.
  - b) In our opinion the rate of interest and other terms and conditions on which loans have been taken from parties listed in the registers maintained under section 301 are not, prima facie, prejudicial to the interest of the Company.
  - c) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
  - d) There is no overdue amount of loans taken from parties listed in the registers maintained under section 301 of the Companies Act, 1956. The repayment of the principal amount is as per the agreed terms.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any major weakness in internal controls.
- v) In respect of contracts and arrangements entered in the register maintained in pursuance of section 301 of the Companies Act, 1956:
  - a) To the best of our knowledge and belief and according to the information and explanations given to us, contracts and arrangements that needed to be entered into the register have been so entered.
  - b) In our opinion and according to the information and explanations given to us, the transactions in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to ₹5.00 lakhs or more in respect of any party have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) Based on our scrutiny of the Company's records and according to the information and explanation provided by the management, the company has not accepted any deposits from the public and hence the provisions of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable.
- vii) In our opinion, the company's present internal audit system is commensurate with its size and nature of its business.
- viii) The companies (Cost Accounting Records) Rules, 2011 is applicable and the company is required to file the Compliance Report in the prescribed form duly certified by a Cost Accountant in respect of the financial year commencing from 01.04.2011 within 180 days from the end of the financial year. We have been informed that the company is in the process of obtaining the same.





- ix) According to the information and explanations given to us in respect of statutory and other dues:
- the Company has been regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, wealth tax, sales tax, service tax, customs duty, excise duty and cess.
  - according to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, service tax, customs duty and excise duty were outstanding as at 31st March, 2012 for a period of more than six months from the date they became payable.
  - at the end of the financial year there were no dues of Sales Tax, Income Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute except as follows:

Name of the Statute	Nature of the Dues	Amount Rs. in Lakhs	Forum where dispute is pending
Central Excise Act 1944	Cenvat Credit	9.72	Customs, Central Excise and Service Tax Appellate Tribunal

- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- The company has not made any preferential allotment of shares during the year.
- The Company has not issued any debentures during the year.
- The Company has not raised any money by public issue during the year.
- 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  
28.05.2012

**BALANCE SHEET AS AT 31ST MARCH 2012**

	Note No.	Figures at the end of the current reporting period 31.03.2012	Figures at the end of the previous reporting period 31.03.2011
Rs. in lakhs			
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Share Holder's Funds</b>			
(a) Share Capital	1	507.19	507.19
(b) Reserves and Surplus	2	6,872.26	6,867.82
<b>Sub total (1)</b>		<u>7,379.45</u>	<u>7,375.01</u>
<b>(2) Non Current Liabilities</b>			
(a) Long Term Borrowings	3	635.93	897.23
(b) Deferred Tax Liabilities (Net)	4	331.13	342.72
(c) Other Long term Liabilities	5	74.72	65.14
(d) Long-term Provisions	6	46.92	10.64
<b>Sub total (2)</b>		<u>1,088.70</u>	<u>1,315.73</u>
<b>(3) Current Liabilities</b>			
(a) Short term Borrowings	7	93.27	463.73
(b) Trade Payables	8	222.20	782.66
(c) Other Current Liabilities	9	932.82	924.93
(d) Short-term provisions	10	204.90	306.48
<b>Sub total (3)</b>		<u>1,453.19</u>	<u>2,477.80</u>
<b>TOTAL LIABILITIES</b>		<u>9,921.34</u>	<u>11,168.54</u>
<b>II. ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Fixed Assets	11		
(i) Tangible Assets		3,167.98	3,597.20
(ii) Intangible Assets		26.05	4.77
(iii) Capital Work in process		-	-
(iv) Intangible assets under development		-	-
<b>Sub total (a)</b>		<u>3,194.03</u>	<u>3,601.97</u>
(b) Non current Investments	12	2,401.85	2,419.85
(c) Long Term Loans and Advances	13	460.97	456.49
(d) Other Non current assets		-	-
<b>Sub total (1)</b>		<u>6,056.85</u>	<u>6,478.31</u>
<b>(2) Current Assets</b>			
(a) Current Investments		-	-
(b) Inventories	14	3,316.44	3,308.87
(c) Trade Receivables	15	83.42	582.83
(d) Cash and Cash equivalents	16	48.73	40.76
(e) Short term Loans and Advances	17	132.34	260.40
(f) Other current assets	18	283.56	497.37
<b>Sub total (2)</b>		<u>3,864.49</u>	<u>4,690.23</u>
<b>TOTAL ASSETS</b>		<u>9,921.34</u>	<u>11,168.54</u>

See accompanying notes to the financial statements.

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  
28.5.2012  
(Sd/-) **SUGUNA RAVICHANDRAN**  
Partner, (Membership No.207893)

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



## PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	Note No.	Figures at the end of the current reporting period 31.03.2012	Figures at the end of the previous reporting period 31.03.2011
Rs. in lakhs			
I. Revenue from operations	19	5,871.88	10,049.69
II. Other Income	20	9.68	4.44
<b>III. Total Revenue (I+II)</b>		<b>5,881.56</b>	<b>10,054.13</b>
IV. Expenses			
Cost of Materials consumed	21	3,007.79	5,964.65
Changes in Inventories of Finished goods, Work-in process and Stock in trade	22	26.48	-679.69
Employees Benefit Expense	23	1,094.29	1,286.79
Finance Costs	24	172.32	248.65
Depreciation and amortization expenses	11	515.61	523.63
Other expenses	25	1,005.29	1,940.34
<b>Total Expenses</b>		<b>5,821.78</b>	<b>9,284.37</b>
V. Profit before exceptional and extraordinary items and tax (III-IV)		59.78	769.76
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V-VI)		59.78	769.76
VIII. Extraordinary items		-	-
IX. Profit before Tax (VI - VIII)		59.78	769.76
X. Tax Expense :			
Current Tax		59.00	127.00
Prior year taxes		7.93	104.17
Deferred Tax		-11.59	69.95
XI. Profit and Loss for the period from continuing operations (IX-X)		4.44	468.64
XII. Profit/loss from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/loss from discontinuing operations (after tax)		-	-
XV. Profit/(loss) for the period		4.44	468.64
Basic and diluted		0.09	9.24

See accompanying notes to the financial statements.

As per our report attached For <b>N.R. DORAISWAMI &amp; CO</b> Chartered Accountants (Firm Registration No. 000771S) <b>(Sd/-) SUGUNA RAVICHANDRAN</b> Partner, (Membership No.207893)	<b>(Sd/-) V.J. JAYARAMAN</b> Chairman Cum Managing Director	<b>(Sd/-) J. ANAND</b> Managing Director  <b>(Sd/-) D. RANGANATHAN</b> Whole Time Director
Coimbatore 28.5.2012		

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012**

Notes No.	Particulars	Figures at the end of the current reporting period 31.03.2012	Figures at the end of the previous reporting period 31.03.2011
		Rs. in lakhs	
<b>1.</b>	<b>SHARE CAPITAL</b>		
	<b>Equity Share Capital</b>		
	Face/par value per share-Rs.	10	10
	Authorised Capital-Number of shares	60,00,000	60,00,000
	Authorised Capital-Amount Rs. in lakhs	600.00	600.00
	<b>Issued, Subscribed and fully paid up Capital – No of shares</b>	<b>50,71,900</b>	<b>50,71,900</b>
	Total paid up Capital Value Rs. in lakhs	507.19	507.19
	Subscribed but not fully paid	Nil	Nil
	No of shares paid up outstanding at the beginning of reporting period	50,71,900	50,71,900
	Changes during the reporting period	Nil	Nil
	No of shares paid up outstanding at the end of reporting period	50,71,900	50,71,900
	No of shares held by persons holding more than 5% of total shares		
	Sri V.J. Jayaraman	12,25,385	12,25,385
	Smt J. Vidya	7,25,700	7,25,700
	Sri J.Anand	11,09,807	11,09,807
	Shares reserved for issue of options etc.	–	–
	Shares issued for consideration other than cash or as Bonus shares or shares bought back in the last 5 years	–	–
	Securities that can be convertible into shares	–	–
	Calls unpaid	–	–
	Forfeited shares	–	–
<b>2.</b>	<b>RESERVES AND SURPLUS</b>		
	(a) Securities Premium Reserve		
	Share Premium Account	2,116.43	2,116.43
	(b) Other Reserves		
	General Reserve	–	–
	Balance at the beginning of the reporting period	3,574.63	3,551.20
	Additions during the year	–	23.43
	Balance at the end of the reporting period	3,574.63	3,574.63
	(c) Surplus-Balance in Profit and Loss statement		
	Balance at the beginning of the reporting period	1,176.76	819.97
	Add : Current year surplus	4.44	468.64
	Less : Transfer to general reserve	–	23.43
	Less : Proposed Dividend	–	76.08
	Less : Dividend Distribution Tax	–	12.34
	Closing Balance	4.44	356.79
	Balance at the end of the reporting period	1,181.20	1,176.76
	<b>Total Reserves and Surplus</b>	<b>6,872.26</b>	<b>6,867.82</b>


**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012**

Notes No.	Particulars	Figures at the end of the current reporting period 31.03.2012	Figures at the end of the previous reporting period 31.03.2011
		Rs. in lakhs	
<b>3.</b>	<b>LONG TERM BORROWINGS</b>		
	<b>Secured - Technology Development Board</b>		
	Secured by hypothecation of moveable Fixed Assets of the Company and guarantees by two Directors of the Company and also the guarantee of the subsidiary. Repayment 2013-14 Rs.167 lakhs, 2014-15 Rs.167 lakhs, 2015-16 Rs.167 lakhs. Excludes installments of Rs.167 lakhs due before 31.03.2013 included under current liabilities	<b>501.00</b>	668.00
	<b>Total Secured</b>	<b>501.00</b>	668.00
	<b>Unsecured-Loans and Advances from Related parties</b>		
	<b>Loans from Directors</b>	<b>134.93</b>	229.23
	Unsecured loans are from promoters and have no fixed maturity. It is repayable at the option of the company or the promoters. Interest is payable only at the time of repayment of the loan. However, promoters have agreed to give atleast 12 months notice for withdrawal. The amount to be withdrawn in the next 12 months from the balance sheet date has been classified as current liability based on the information provided by the promoters.(Rs.150.00 lakhs)		
	<b>Total Unsecured Loans</b>	<b>134.93</b>	229.23
	<b>Total Long Term Borrowings</b>	<b>635.93</b>	897.23
	Secured/Unsecured borrowings-There is no default/delay in repayment of principal or interest and no amount is over due as at the end of the reporting period		
	There is no redeemed bonds/debentures for which the Company has power to issue		
<b>4.</b>	<b>DEFERRED TAX LIABILITIES</b>		
	Items considered for Deferred Tax Liability/Asset :		
	Depreciation	<b>1,362.00</b>	1,575.84
	Deferred Tax Liability-A	<b>441.92</b>	511.28
	Carry forward Loss and other timing difference items	<b>341.48</b>	519.52
	Deferred Tax Asset-B	<b>110.79</b>	168.56
	Deferred Tax Liability-Net (A-B)	<b>331.13</b>	342.72
<b>5.</b>	<b>OTHER LONG TERM LIABILITIES</b>		
	Interest accrued not due payable after 12 months	<b>74.72</b>	65.14
	Total Other Long term Liabilities	<b>74.72</b>	65.14
<b>6.</b>	<b>LONG TERM PROVISIONS</b>		
	Provision for Employee benefits-Gratuity	<b>46.92</b>	10.64
	Gratuity due for employees due for retirement during 2012-13 Rs.0.27 lakhs, as per the terms of employment, is classified as current liability and included under short term employee benefits		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012

Notes No.	Particulars	Figures at the end of the current reporting period 31.03.2012	Figures at the end of the previous reporting period 31.03.2011
Rs. in lakhs			
<b>7.</b>	<b>SHORT TERM BORROWINGS</b>		
	Loans repayable on demand - Secured		
	From Banks		
	State Bank of India	77.69	110.16
	Bank of Baroda	12.47	192.44
	Indian Overseas Bank	1.65	100.87
	Corporation Bank	1.46	60.26
	Secured by a first charge on current assets, mortgage of factory land and buildings and second charge on movable fixed assets on pari passu basis.		
	<b>Total Short term Borrowings</b>	<b>93.27</b>	<b>463.73</b>
	There is no default in payment of principal or interest for the above		
<b>8.</b>	<b>TRADE PAYABLES</b>		
	Liabilities for Supplies and Services		
	Micro, Medium and Small Enterprises	35.84	6.78
	Others	186.36	775.88
	<b>Total Payables</b>	<b>222.20</b>	<b>782.66</b>
<b>9.</b>	<b>OTHER CURRENT LIABILITIES</b>		
	Current Maturities of Long Term Debt (Secured)	167.00	82.00
	Current Maturities of Long Term Debt (Unsecured)	150.00	111.00
	Interest accrued and not due on borrowings	50.86	2.31
	Interest accrued and due on borrowings	–	–
	Advance received against sales	554.92	645.67
	Investor's Education and Protection Fund-Unpaid Dividends	6.85	8.68
	Liabilities for other Finance-Tax collections payable, Deductions from Salaries and Wages, etc.	3.19	75.27
	<b>Total Other Current Liabilities</b>	<b>932.82</b>	<b>924.93</b>
<b>10.</b>	<b>SHORT TERM PROVISIONS</b>		
	Provision for Employee benefits(Leave salary, Bonus and Gratuity due within an year)	145.90	91.06
	Provision for Income tax	59.00	127.00
	Provision for Dividends	–	76.08
	Provision for Dividend distribution tax	–	12.34
	<b>Total Short Term Provisions</b>	<b>204.90</b>	<b>306.48</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012

### 11. FIXED ASSETS

ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost as on 01.04.2011	Additions	Sales/ Transfers	Cost as on 31.03.2012	Upto 31.03.2011	For the year	Withdrawn during the year	Upto 31.03.2012	31.03.2011	31.03.2012
(Rs. in lakhs)										
<b>TANGIBLE ASSETS</b>										
Land	220.85	-	-	220.85	-	-	-	-	220.85	220.85
Buildings	1,166.99	-	-	1,166.99	487.03	38.17	-	525.20	641.79	679.96
Plant & Machinery	7,112.35	36.91	28.06	7,121.20	4,531.25	434.89	26.66	4,939.48	2,181.72	2,581.10
Vehicles	60.24	-	-	60.24	46.79	3.18	-	49.97	10.27	13.45
Furniture and fittings	96.71	3.65	-	100.36	52.71	5.82	-	58.53	41.83	44.00
Office Equipments	194.72	35.03	-	229.75	136.88	21.35	-	158.23	71.52	57.84
<b>Sub Total A</b>	<b>8,851.86</b>	<b>75.59</b>	<b>28.06</b>	<b>8,899.39</b>	<b>5,254.66</b>	<b>503.41</b>	<b>26.66</b>	<b>5,731.41</b>	<b>3,167.98</b>	<b>3,597.20</b>
<b>INTANGIBLE ASSETS</b>										
Computer Software	18.93	33.48	-	52.41	14.16	12.20	-	26.36	26.05	4.77
<b>Sub Total B</b>	<b>18.93</b>	<b>33.48</b>	<b>-</b>	<b>52.41</b>	<b>14.16</b>	<b>12.20</b>	<b>-</b>	<b>26.36</b>	<b>26.05</b>	<b>4.77</b>
<b>Total (A+B)</b>	<b>8,870.79</b>	<b>109.07</b>	<b>28.06</b>	<b>8,951.80</b>	<b>5,268.82</b>	<b>515.61</b>	<b>26.66</b>	<b>5,757.77</b>	<b>3,194.03</b>	<b>3,601.97</b>
Previous Year	8,968.76	132.07	230.04	8,870.79	4,975.24	523.63	230.05	5,268.82	3,601.97	3,993.52

*Additional Disclosure :*

Profit / (loss) on disposal of fixed assets during the year ended 31st March 2012 is Rs.5.35 Lakhs (Rs. NIL For the year ended 31st March 2011).

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012**

Notes No.	Particulars	Figures at the end of the current reporting period 31.03.2012	Figures at the end of the previous reporting period 31.03.2011
		Rs. in lakhs	
<b>12.</b>	<b>NON-CURRENT INVESTMENTS</b>		
	<b>(I) In Government or Trust Securities</b>		
A.	7 Years National Savings Certificate at cost	<b>0.10</b>	0.10
B.	5.5% Non Convertible Redeemable Taxable Bonds Series VI 180 nos. Face Value of Rs. 10,000/- each of Rural Electrification Corporation Limited	<b>0.00</b>	18.00
	<b>(II) In Shares and Bonds</b>		
	<b>Non-Trade Quoted</b>		
	1,500 Equity Shares of Rs.10/- each in M/s Lakshmi Machine Works Limited, fully paid up, at cost	<b>0.14</b>	0.14
	10,000 Equity Shares of Rs.10/- each in M/s Precision Fasteners Limited, fully paid up, at cost	<b>5.00</b>	5.00
	200 Equity Shares of Rs.10/- each in M/s IFCI Limited fully paid up, at cost	<b>0.04</b>	0.04
	334 Equity Shares of Rs.10/- each in State Bank of India, fully paid up, at cost	<b>1.59</b>	1.59
	<b>(III) Investment in Wholly Owned Subsidiary</b>		
	1,20,00,000 Equity Shares of Rs.10/- each in M/s Veejay Lakshmi Textiles Limited, fully paid up at cost	<b>1,200.00</b>	1,200.00
	1,20,00,000 6% Non Cumulative Redeemable Preference Shares of Rs. 10/- each in M/s.Veejay Lakshmi Textiles Ltd, fully paid up at Cost	<b>1,200.00</b>	1,200.00
	Total	<b>2,406.87</b>	2,424.87
	Less Investment Fluctuation Reserve	<b>5.02</b>	5.02
	Total	<b>2,401.85</b>	2,419.85
	Aggregate Value Of Quoted Investment – Cost	<b>6.77</b>	
	– Market Value	<b>30.90</b>	
	Aggregate Value of Unquoted Investments – Cost	<b>2,400.10</b>	




**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012**

Notes No.	Particulars	Figures at the end of the current reporting period 31.03.2012	Figures at the end of the previous reporting period 31.03.2011
		Rs. in lakhs	
<b>13.</b>	<b>LONG TERM LOANS AND ADVANCES</b>		
	<b>(Unsecured considered good)</b>		
	a) Capital Advances	30.67	30.67
	b) Security Deposits	30.30	25.82
	c) Loans and Advances to Subsidiary	400.00	400.00
	Loans and Advances to firms or Private Companies in which the Directors are partner or a Director or a member	-	-
	Loans and Advances to other related parties	-	-
	<b>Long Term Loans and Advances - Total</b>	<b>460.97</b>	<b>456.49</b>
	All the above are unsecured but considered good and no allowance made for bad or doubtful debt		
<b>14.</b>	<b>INVENTORIES</b>		
	Raw Materials	303.65	257.54
	Scrap	0.78	0.68
	Components	313.65	316.01
	Work-in-Progress	2,588.37	2,598.64
	Machinery spares	11.41	5.29
	Stores	97.41	113.23
	Finished goods	1.17	17.48
	<b>Total Inventories</b>	<b>3,316.44</b>	<b>3,308.87</b>
<b>15.</b>	<b>TRADE RECEIVABLES</b>		
	<b>a) Outstanding for a period above six months</b>		
	i. Secured considered good	-	-
	ii. Unsecured considered good	32.18	62.90
	iii. Doubtful	-	-
	(Allowance for Bad and doubtful debts in iii above)		
	<b>b) Others</b>		
	i. Secured considered good	-	-
	ii. Unsecured considered good	51.24	519.93
	iii. Doubtful	-	-
	(Allowance for Bad and doubtful debts in iii above)		
	<b>Total Trade receivables</b>	<b>83.42</b>	<b>582.83</b>
	Debts due by Directors or other officers or debts due by firms or private companies of which any Director is a partner, member or Director included in above	Nil	Nil

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012

Notes No.	Particulars	Figures at the end of the current reporting period 31.03.2012	Figures at the end of the previous reporting period 31.03.2011
		Rs. in lakhs	
<b>16. CASH AND CASH EQUIVALENTS</b>			
	Balance with Banks		
	– in Current Accounts	2.23	3.37
	– in Deposit Account with Maturity more than 12 months	–	–
	– in Deposit Account with maturity less than 12 months	–	–
	– Deposits for Margin money or for other commitments/security	10.67	25.17
	Cheques, drafts on hand		
	Ear marked balances with Banks-Unpaid Dividends (Investor's Protection and Education Fund)	6.85	8.68
	Cash on hand	28.98	3.54
	<b>Total Cash and Cash equivalents</b>	<b>48.73</b>	<b>40.76</b>
<b>17. SHORT TERM LOANS AND ADVANCES</b>			
	<b>Unsecured-considered good</b>		
	i) Advance to Suppliers-Related parties		
	Advance to Subsidiary	13.20	29.54
	Advances to Directors or other officers of the Company or due by firms or private companies in which any director is a partner or director	–	–
	ii) Advance to Suppliers – Others	108.82	219.45
	iii) Advance to Staff and Workers	5.20	6.29
	<b>Unsecured-Doubtful</b>		
	Advance to suppliers – Others	5.12	5.12
	Allowance for Doubtful Loans	–	–
	<b>Total Short Term Loans and Advances</b>	<b>132.34</b>	<b>260.40</b>
<b>18. OTHER CURRENT ASSETS</b>			
	Advance payment of Taxes, TDS & MAT credit entitlements	159.72	214.47
	Cenvat/Vat credit, Duty draw back and other receivables	110.88	277.42
	Prepaid Expenses	12.96	5.48
	<b>Total Other Current Assets</b>	<b>283.56</b>	<b>497.37</b>
<b>19. REVENUE FROM OPERATIONS</b>			
	a) Sale of Products	6,352.56	10,862.81
	b) Sale of Services	76.53	65.70
	c) Other operating revenues	8.27	1.29
	Sub total	6,437.36	10,929.80
	Less : Excise Duty	565.48	880.11
	<b>Revenue net of Excise duty</b>	<b>5,871.88</b>	<b>10,049.69</b>


**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012**

Notes No.	Particulars	Figures at the end of the current reporting period 31.03.2012	Figures at the end of the previous reporting period 31.03.2011
		Rs. in lakhs	
<b>20.</b>	<b>OTHER INCOME</b>		
	Interest Income	3.86	4.15
	Dividend Income	0.47	0.29
	Net gain/Loss on sale of assets	5.35	–
	<b>Total Other Income</b>	<b>9.68</b>	<b>4.44</b>
<b>21.</b>	<b>COST OF MATERIALS CONSUMED</b>		
	Raw materials-Ferrous	338.38	1,011.21
	Raw materials-Non-Ferrous	164.20	582.11
	Raw materials-Castings	93.10	213.18
	Raw materials-Non metals	85.09	–
	Components	2,327.02	4,158.16
	<b>Materials consumed</b>	<b>3,007.79</b>	<b>5,964.66</b>
<b>22.</b>	<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN PROCESS AND STOCK IN TRADE</b>		
	Opening stock	2,616.79	1,937.10
	Closing stock	2,590.31	2,616.79
	<b>Change in inventory</b>	<b>26.48</b>	<b>-679.69</b>
<b>23.</b>	<b>EMPLOYEE BENEFIT EXPENSE</b>		
	Salary, Wages, Gratuity, etc	968.26	1,136.26
	Contribution to Provident Fund	50.27	34.30
	Staff and Labour Welfare expenses	75.76	116.23
	Employees Stock Purchase Plan	–	–
	Employees stock option scheme	–	–
	<b>Total Employee Cost</b>	<b>1,094.29</b>	<b>1,286.79</b>
<b>24.</b>	<b>FINANCE COSTS</b>		
	Interest expense	126.76	161.18
	Other borrowing costs	46.84	69.50
	Net gain/loss on Foreign currency transactions	-1.28	17.97
	<b>Total Finance Cost</b>	<b>172.32</b>	<b>248.65</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012**

Notes No.	Particulars	Figures at the end of the current reporting period 31.03.2012	Figures at the end of the previous reporting period 31.03.2011
		Rs. in lakhs	
<b>25. OTHER EXPENSES</b>			
	Stores consumed	<b>279.92</b>	556.44
	Fabrication Charges	<b>158.82</b>	298.51
	Power and Fuel	<b>212.33</b>	308.55
	Freight	<b>11.97</b>	40.53
	Printing and Stationery	<b>5.83</b>	16.38
	Postage and Telephone	<b>15.94</b>	22.40
	Travelling and Vehicle Maintenance	<b>54.27</b>	73.93
	Insurance	<b>6.14</b>	1.89
	Rent	<b>14.53</b>	14.81
	Licence and Taxes	<b>20.84</b>	23.14
	Sales commission	<b>106.31</b>	271.80
	Sales promotion expenses	<b>20.47</b>	77.52
	Subscription and periodicals	<b>2.54</b>	3.07
	Directors' sitting fees	<b>0.58</b>	0.50
	Audit fees		
	a) Statutory Audit	<b>1.20</b>	1.20
	b) For Taxation matter	<b>1.00</b>	0.77
	c) Other Services	<b>0.30</b>	—
	d) Reimbursement of Expenses	<b>0.03</b>	0.13
	Legal and Professional charges	<b>20.92</b>	27.07
	Repairs and Maintenance-Buildings	<b>23.61</b>	13.92
	Repairs and Maintenance-Machinery	<b>43.00</b>	128.31
	Repairs and Maintenance-Others	<b>4.70</b>	5.65
	Bad Debts written off	—	27.80
	Foreign Exchange Loss	—	22.48
	Donations	<b>0.04</b>	3.54
	<b>Total Other Expenses</b>	<b>1,005.29</b>	<b>1,940.34</b>

See accompanying notes to the financial statements.

	As per our report attached	(Sd/-) V.J. JAYARAMAN	(Sd/-) J. ANAND
	For <b>N.R. DORAISWAMI &amp; CO</b>	Chairman Cum Managing Director	Managing Director
	Chartered Accountants		
	(Firm Registration No. 000771S)		
Coimbatore	(Sd/-) <b>SUGUNA RAVICHANDRAN</b>	(Sd/-) <b>D. RANGANATHAN</b>	
28.5.2012	Partner, (Membership No.207893)	Whole Time Director	



## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.3.2012

### 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. 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).

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.3.2012  
(Contd.)**

- H. Employee Benefits:** The provision has been made as required under AS 15. Bonus has been provided as per practice followed in earlier years. 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.



**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.3.2012**  
(Contd.)

	As at 31.3.2012	As at 31.3.2011
Rs. in lakhs		

**2. EXPENDITURE IN FOREIGN CURRENCY**

**A. Value of Imports made on CIF Basis**

Raw materials	138.15	140.05
Components and spares parts	1,565.09	2,740.84
Capital goods	5.71	42.31
<b>Total</b>	<b>1,708.95</b>	<b>2,923.20</b>

**B. Other Matters**

Expenditure on Foreign Currency on account of royalty, know-how, professional and consultation fees, interest and other matters	21.50	27.60
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**C. Consumption**

Total value of all imported raw materials, components and spare parts consumed	883.97	2,750.88
% to total	29%	46%
Total value of all indigenous raw materials, components and spare parts consumed	2,123.82	3,213.78
% to total	71%	54%
Total consumption	3,007.79	5,964.66

**D. Earnings In Foreign Currency**

Export of goods-F.O.B. value	138.16	640.23
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**3. Contingent Liabilities and Commitments**

<b>1. Contingent Liabilities</b>		
<b>a. Claims against the Company not acknowledged as Debts</b>		
i. Income tax Liability on expenses disallowed/additions proposed disputed in appeals	66.16	88.55
ii. Amounts claimed by Customs, Excise and Market committee authorities disputed in appeals	28.89	22.13
<b>b. Guarantees</b>		
Guarantees issued by Banks on behalf of the Company	901.74	654.00
Guarantee issued on behalf of an associate Company in which Directors are interested	345.00	486.00
Guarantees given on behalf of the Directors or other officers of the Company	Nil	Nil



**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.3.2012  
(Contd.)**

	<b>As at 31.3.2012</b>	<b>As at 31.3.2011</b>
	Rs. in lakhs	
Credit facilities of Subsidiary guaranteed by the Company-outstanding-both fund based and non fund based	<b>2,046.28</b>	2,487.00
Letter of Credit opened by Banks on behalf of the Company	<b>76.26</b>	489.00
<b>c. Other money for which Company is contingently liable</b>		
i. Duty Liability and interest on account of pending export obligation against EPCG Licences	<b>Nil</b>	110.20
ii. Duty Liability against Advances Licences for Deemed Exports-Export obligation fulfilled by physical export but not accepted by Govt.	<b>72.21</b>	60.83
<b>2. Commitments</b>		
a. Estimated amount of contracts remaining to be executed on capital account and not provided for	<b>137.99</b>	169.46
b. Uncalled liability on shares and investments partly paid	<b>Nil</b>	Nil
<b>4. Research and Development expenses incurred</b>	<b>63.38</b>	117.65
<b>5. Gain (Loss) on account of foreign exchange difference included in the profit and loss account</b>		
on account of foreign currency borrowings included under finance cost	<b>1.28</b>	-17.97
on trade payable/receivables included under other expenses/income	<b>3.66</b>	-22.49
<b>6. Unhedged foreign exchange exposure as at 31.3.2012</b>		
Payables-Creditors, Liability on account of L/cs opened and orders placed for imports and dues under buyer's credit scheme	<b>Amount in respective currencies</b>	
USD	<b>232,776</b>	418,912
EURO	<b>3,315</b>	565,819
JPY		8,450,000
CHF	<b>406,500</b>	761,692
Receivables-Export receivables		
USD		320,548
EURO	<b>324</b>	




**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.3.2012  
(Contd.)**
**7. Segment Report for the year ended 31.3.2012**
**Rs. in Lakhs**

Revenue	31st March 2012			31st March 2011		
	Engg. Dvn.	Wind Mill Dvn.	Total	Engg. Dvn.	Wind Mill Dvn.	Total
External Sales	5,740	138	5,878	9,908	141	10,049
Inter Segment Transfers	-	-	-	-	-	-
Total Revenue	5,740	138	5,878	9,908	141	10,049
<b>Result</b>						
Segment Result	186	53	239	947	86	1,033
Un allocated including exceptional items	-	-	-11	-	-	-20
Operating Profit	175	53	228	-	-	1,013
Interest Expense	-	-	-172	-	-	-249
Interest Income	-	-	4	-	-	5
Income Taxes	-	-	-55	-	-	-301
Unallocable Income	-	-	-	-	-	-
Profit from Ordinary Activities	-	-	5	-	-	468
Extra Ordinary Items	-	-	-	-	-	-
Net Profit	-	-	5	-	-	468
<b>Other Information</b>						
Segment Assets	6,256	388	6,644	7,263	454	7,717
Un allocated Corporate Assets	-	-	3,277	-	-	3,452
Total Assets	6,256	388	9,921	-	-	11,169
Segment Liabilities	967	5	972	1246	1	1,247
Un allocated Corporate Liabilities	-	-	8,949	-	-	9,922
Total Liabilities	-	-	9,921	-	-	11,169
Capital Expenditure	109	-	109	132	-	132
Depreciation	516	-	516	524	-	524
Non Cash Expenditure other than depreciation	-	-	-	-	-	-

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.3.2012  
(Contd.)****8. Related Party Disclosures for the year ended 31.03.2012**

(Rs. in Lakhs)

Particulars		Associated Companies/ Firms	Subsidiary Company	Key Managerial personnel	Relative of Key Managerial Personnel
Purchase of goods and services-raw materials, components and engineering job works	<b>2011-12</b>	<b>26.08</b>	<b>15.85</b>	-	-
	2010-11	65.12	7.13	-	-
Sale of machinery, spares, raw materials, components and job works	<b>2011-12</b>	<b>126.14</b>	<b>55.95</b>	-	-
	2010-11	32.19	135.46	-	-
Sales commission paid	<b>2011-12</b>	<b>110.89</b>	-	-	-
	2010-11	222.15	-	-	-
Rent paid	<b>2011-12</b>	<b>13.29</b>	-	<b>1.23</b>	-
	2010-11	13.29	-	1.23	-
Managerial remuneration	<b>2011-12</b>	-	-	<b>44.48</b>	<b>9.60</b>
	2010-11	-	-	44.97	9.60
Unsecured loans	<b>2011-12</b>	-	-	<b>284.93</b>	-
	2010-11	-	-	340.23	-
Interest paid on loans	<b>2011-12</b>	-	-	<b>26.50</b>	-
	2010-11	-	-	35.01	-
Finance including loans and equity/Preference share capital contribution in cash or in kind	<b>2011-12</b>	-	<b>2,400.00</b>	-	-
	2010-11	-	2,400.00	-	-
Guarantees and collaterals	<b>2011-12</b>	<b>345.00</b>	<b>2,046.28</b>	-	-
	2010-11	486.00	2,487.00	-	-
Outstanding due from the Company	<b>2011-12</b>	<b>20.59</b>	-	-	-
	2010-11	-	-	-	-
Outstanding due to the Company	<b>2011-12</b>	-	<b>413.20</b>	-	-
	2010-11	-	429.54	-	-

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)



**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.3.2012  
(Contd.)**

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

<b>S.No.</b>	<b>Name of the Company/Firm</b>
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 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.
15. M/s. Veejay Tool & Die Private Limited

**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

**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



**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.3.2012**  
(Contd.)

9. 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) 31.03.2012	Gratuity (Funded) 31.03.2011
<b>(Value in Rs.)</b>		
<b>A. Expense recognised during year ended 31.03.2012</b>		
1. Current Service cost	726,968	552,043
2. Interest Cost	587,827	427,139
3. Expected return on plan assets	-554,138	-556,447
4. Actuarial Losses / (Gains) during the year	3,138,993	1,508,596
5. Direct payment/Past service cost vested benefits	-	226,208
6. Total Expense	3,899,650	2,157,539
<b>B. Actual return on Plan assets</b>		
1. Expected return on plan assets	554,138	556,447
2. Actuarial (Loss) / Gain on Plan assets	-416,893	-556,447
3. Actual return on plan assets	137,245	-
<b>C. Net Asset / (Liability) recognised in the Balance Sheet</b>		
1. Present value of the obligation as on 31.03.2012	11,262,499	7,470,084
2. Fair value of plan assets as on 31.3.2012	6,543,464	6,406,219
3. Funded status (surplus/{deficit})	-4,719,035	-1,063,865
4. Unrecognised past service cost	-	-
5. Net Asset/(Liability) recognised in the Balance sheet	-4,719,035	-1,063,865
<b>D. Change in Present value of the Obligation during the year ended March 31,2012</b>		
1. Present value of the obligation as at April 1, 2011	7,470,084	5,365,931
2. Current service cost	726,968	552,043
3. Interest cost	587,827	427,139
4. Benefits paid	-244,481	172,822
5. Actuarial (gain) / loss on obligation	2,722,101	952,149
6. Present value of obligation as at March 31,2012	11,262,499	7,470,084
<b>E. Change in Assets during the year ended March 31, 2012</b>		
1. Fair value of plan assets as at April 1, 2011	6,406,219	6,459,605
2. Expected return on plan assets	554,138	556,447
3. Contributions made	244,481	-
4. Benefits paid	-244,481	-53,386
5. Actuarial gain / (loss) on plan assets	-416,893	-556,447
6. Fair value of plan assets as at March 31, 2012	6,543,464	6,406,219
<b>F. Major categories of plan assets as a percentage of total plan</b>		
Qualifying insurance policies	1,364,926	1,563,001
Own plan assets	5,178,538	4,843,218
Total	6,543,464	6,406,219
<b>G. Actuarial Assumptions</b>		
1. Discount rate	8.70%	8.00%
2. Salary escalation	5.00%	5.00%
3. Expected rate of return on plan assets	8.65%	8.65%
4. Attrition rate-VJLEW	-	-
5. Mortality rate-VJLEW	LIC 94-96 Rates	LIC 94-96 Rates
<b>H. Leave Encashment amount charged to Profit and Loss Statement</b>	478,166	760,308


**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.3.2012  
(Contd.)**

10. As defined under Micro, small and Medium Enterprises Development Act 2006, the disclosure in respect of the amount payable to such enterprises as at 31.03.2012 has been made in the financial statements based on information received and available with the company.

	(Rs. in Lakhs)	
	31/03/12	31/03/11
a) The Principal amount due there on remaining unpaid to any supplier as at the end of each accounting year	<b>35.84</b>	6.78
b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the payment made to the supplier beyond the appointed day during each accounting year	<b>Nil</b>	Nil
c) The amount of interest due and payable for the period of delay in making payment (Which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	<b>Nil</b>	Nil
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	<b>Nil</b>	Nil
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the dues are actually paid for the purpose of disallowance under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	<b>Nil</b>	Nil

**11. Earnings per share**

Profit before taxes	<b>59.78</b>	769.76
Tax	<b>55.34</b>	301.12
Profit After Tax	<b>4.44</b>	468.64
No of equity shares	<b>5,071,900</b>	5,071,900
Earnings per share - Rs.	<b>0.09</b>	9.24

**12. Financial Details of Wholly Owned Subsidiary**

Share Capital	<b>2,400.00</b>	2,400.00
Reserves	<b>-1,073.95</b>	-318.06
Total Assets	<b>6,272.66</b>	7,079.15
Total Liabilities	<b>6,272.66</b>	7,079.15
Investments	<b>1.31</b>	-
Total Revenue	<b>5,036.39</b>	5,321.57
Profit before Taxation	<b>-801.00</b>	100.44
Provision for Taxation	<b>-45.11</b>	10.51
Profit after Taxation	<b>-755.89</b>	89.41
Proposed Dividend	<b>Nil</b>	Nil

13. Figures have been rounded off to Rs. in lakhs and previous year figures have been regrouped/rearranged wherever necessary.

As per our report attached For <b>N.R. DORAISWAMI &amp; CO</b> Chartered Accountants (Firm Registration No. 000771S) <b>(Sd/-) SUGUNA RAVICHANDRAN</b> Partner, (Membership No.207893)	<b>(Sd/-) V.J. JAYARAMAN</b> Chairman Cum Managing Director	<b>(Sd/-) J. ANAND</b> Managing Director
Coimbatore 28.5.2012		<b>(Sd/-) D. RANGANATHAN</b> Whole Time Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2012**

	<b>Year ended March, 2012</b>	Year ended March, 2011
	Rs. in lakhs	
<b>A. Cash Flow from Operating Activities</b>		
Net Profit Before Tax and extra ordinary item	<b>59.78</b>	769.76
Adjustments for :		
Depreciation	<b>515.61</b>	523.63
Interest paid	<b>172.32</b>	248.65
Profit on sale of Investments/Assets	<b>-5.35</b>	-
Interest/Dividend Income	<b>-4.33</b>	-4.45
<b>Operating Profit before working capital changes</b>	<b>738.03</b>	1,537.59
(Increase)/Decrease in Trade and Other Receivables	<b>764.95</b>	160.56
Increase/(Decrease) in Payables	<b>-1,002.63</b>	-964.53
Decrease/(Increase) in Inventories	<b>-7.57</b>	-573.28
<b>Cash generated from operations</b>	<b>492.78</b>	160.34
Direct Taxes paid	<b>-92.52</b>	-164.58
<b>Cash flow before extra ordinary items</b>	<b>400.26</b>	-4.24
<b><i>Net Cash from Operating Activities</i></b>	<b>400.26</b>	-4.24
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	<b>-109.07</b>	-132.07
Sale of Fixed Assets	<b>6.75</b>	-
Investment in subsidiary	<b>16.34</b>	-
Redemption of Investments	<b>18.00</b>	-
Interest received	<b>4.62</b>	5.04
Dividend received	<b>0.47</b>	0.29
<b><i>Net cash used for Investing Activities</i></b>	<b>-62.89</b>	-126.74
<b>C. Cash flow from Financing Activities</b>		
Increase/(Repayment) of Long Term borrowings	<b>-137.30</b>	318.54
Dividends paid	<b>-77.91</b>	-0.02
Interest paid	<b>-114.19</b>	-254.13
<b><i>Net cash from financing activities</i></b>	<b>-329.40</b>	64.39
<b>Net Increase in cash and cash equivalents</b>	<b>7.97</b>	-66.59
<b>Cash and Cash equivalents as at 31.3.2011</b>	<b>40.76</b>	107.35
<b>Cash and Cash equivalents as at 31.3.2012</b>	<b>48.73</b>	40.76

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

Coimbatore  
28.5.2012



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

1. Name of the Subsidiary	Veejay Lakshmi Textiles Limited
2. Financial year of the Subsidiary Company	31 <sup>st</sup> March, 2012
3. Extent 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
4. Net aggregate amount of the profits/(losses) of the Subsidiary Company for the period, so far as it concerns members of Veejay Lakshmi Engineering Works Limited	
a) Not dealt with in Accounts of the Company	
(i) For the financial year of the Subsidiary	(Rs.75,589,156/-)
(ii) For the previous financial years since it became the Subsidiary of the Company	(Rs.41,888,407/-)
b) Dealt with in the Accounts of the Company	
(i) For the financial year of the Subsidiary	Nil
(ii) For the previous financial years since it became the Subsidiary of the Company	Nil
5. Additional information U/s 212(5)	
(a) Change in the interest of the Company between the end of the Subsidiary Company's and the Company's financial year ended 31st March 2012.	Nil
(b) Material changes between the end of the financial year of the Subsidiary and the Company's financial year ended 31st March 2012	
(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/-) 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

Coimbatore  
28.5.2012



## 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, 2012, the consolidated Profit and Loss Statement 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 an 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 ₹62,72,66,588/- as at 31st March 2012 and total revenues of ₹50,36,39,464/- for the year then ended. These financial statements have been audited by other auditors whose reports 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, 2012.
- (b) The Consolidated Profit and Loss Statement 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 2012 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  
28.05.2012




**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2012 (CONSOLIDATED)**

	Note No.	Figures at the end of the current reporting period As at 31.3.2012	Figures at the end of the previous reporting period As at 31.3.2011
Rs. in lakhs			
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Share Holder's Funds</b>			
(a) Share Capital	1	507.19	507.19
(b) Reserves and Surplus	2	5,798.31	6,549.76
<b>Sub total (1)</b>		<b>6,305.50</b>	<b>7,056.95</b>
<b>(2) Non Current Liabilities</b>			
(a) Long Term Borrowings	3	3,594.11	3,813.00
(b) Deferred Tax Liabilities (Net)	4	430.81	487.51
(c) Other Long term Liabilities	5	74.72	65.14
(d) Long-term Provisions-Provision for Gratuity	6	69.76	32.00
<b>Sub total (2)</b>		<b>4,169.40</b>	<b>4,397.65</b>
<b>(3) Current Liabilities</b>			
(a) Short term Borrowings	7	1,044.79	1,493.23
(b) Trade Payables	8	464.74	951.50
(c) Other Current Liabilities	9	1,171.40	1,173.57
(d) Short-term provisions	10	224.98	345.25
<b>Sub total (3)</b>		<b>2,905.91</b>	<b>3,963.55</b>
<b>TOTAL LIABILITIES</b>		<b>13,380.81</b>	<b>15,418.15</b>
<b>II. ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Fixed Assets	11		
(i) Tangible Assets		7,608.29	8,007.81
(ii) Intangible Assets		26.05	4.77
(iii) Capital Work in process		—	—
(iv) Intangible assets under development		—	—
<b>Sub total (a)</b>		<b>7,634.34</b>	<b>8,012.58</b>
(b) Non current Investments	12	3.16	19.85
(c) Long Term Loans and Advances	13	162.08	207.41
(d) Other Non current assets		—	—
<b>Sub total (1)</b>		<b>7,799.58</b>	<b>8,239.84</b>
<b>(2) Current Assets</b>			
(a) Current Investments		—	—
(b) Inventories	14	3,860.30	4,308.49
(c) Trade Receivables	15	710.96	1,431.44
(d) Cash and Cash equivalents	16	281.16	397.98
(e) Short term Loans and Advances	17	211.90	292.20
(f) Other current assets	18	516.91	748.20
<b>Sub total (2)</b>		<b>5,581.23</b>	<b>7,178.31</b>
<b>TOTAL ASSETS</b>		<b>13,380.81</b>	<b>15,418.15</b>

See accompanying notes to the financial statements.

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  
28.5.2012  
**(Sd/-) SUGUNA RAVICHANDRAN**  
Partner, (Membership No.207893)

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

**PROFIT AND LOSS STATEMENT FOR YEAR ENDED 31.3.2012 (CONSOLIDATED)**

	Note No.	Figures at the end of the current reporting period As at 31.3.2012 Rs. in lakhs	Figures at the end of the previous reporting period As at 31.3.2011
I. Revenue from operations	19	<b>10,819.85</b>	15,323.20
II. Other Income	20	<b>64.26</b>	37.52
<b>III. Total Revenue (I+II)</b>		<b>10,884.11</b>	15,360.72
iv. Expenses			
Cost of Materials consumed	21	<b>6,323.70</b>	8,744.14
Changes in Inventories of Finished goods, Work-in process and Stock in trade	22	<b>393.78</b>	-721.23
Employees Benefit Expense	23	<b>1,582.62</b>	1,932.73
Finance Costs	24	<b>497.15</b>	574.88
Depreciation and amortization expenses	11	<b>832.81</b>	799.82
Other expenses	25	<b>1,995.27</b>	3,160.18
<b>Total Expenses</b>		<b>11,625.33</b>	14,490.52
V. Profit before exceptional and extraordinary items and tax (III-IV)		<b>-741.22</b>	870.20
VI. Exceptional items			
VII. Profit before extraordinary items and tax (V-VI)		<b>-741.22</b>	870.20
VIII. Extraordinary items			
IX. Profit before Tax		<b>-741.22</b>	870.20
X. Tax Expense			
Current Tax		<b>59.00</b>	127.00
Prior year taxes		<b>7.93</b>	104.69
Deferred Tax		<b>-56.70</b>	80.46
XI. Profit and Loss for the period from continuing operations(VIII-X)		<b>-751.45</b>	558.05
XII. Earnings per share			
Basic and Diluted		<b>-14.82</b>	11.00

There is no profit or loss or tax from discontinuing operations

See accompanying notes to the financial statements.

As per our report attached For <b>N.R. DORAISWAMI &amp; CO</b> Chartered Accountants (Firm Registration No. 000771S) <b>(Sd/-) SUGUNA RAVICHANDRAN</b> Partner, (Membership No.207893)	<b>(Sd/-) V.J. JAYARAMAN</b> Chairman Cum Managing Director	<b>(Sd/-) J. ANAND</b> Managing Director
Coimbatore 28.5.2012		<b>(Sd/-) D. RANGANATHAN</b> Whole Time Director



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

Notes No.	DETAILS FOR BALANCE SHEET	Figures for the current reporting period	Figures for the previous reporting period
		31.3.2012	31.3.2011
		Rs. in lakhs	
<b>1.</b>	<b>SHARE CAPITAL</b>		
	Equity Share Capital		
	Face/par value per share - Rs.	10	10
	Authorised Capital-Number of shares	6,000,000	6,000,000
	Authorised Capital-Amount Rs. in lakhs	600	600
	<b>Issued, Subscribed and fully paid up Capital – No of shares</b>	<b>5,071,900</b>	5,071,900
	Total paid up Capital Value Rs. in lakhs	507.19	507.19
	Subscribed but not fully paid		Nil
	No of shares paid up outstanding at the beginning of reporting period	5,071,900	5,071,900
	Changes during the reporting period		Nil
	No of shares paid up outstanding at the end of reporting period	5,071,900	5,071,900
	No of shares held by persons holding more than 5% shares by each person		
	Sri V.J. Jayaraman	1,225,385	1,225,385
	Smt J. Vidya	725,700	725,700
	Sri J.Anand	1,109,807	1,109,807
	Shares reserved for issue of options etc.	Nil	Nil
	Shares issued for consideration other than cash or as Bonus shares or Shares bought back in the last 5 years	Nil	Nil
	Securities that can be convertible into shares	Nil	Nil
	Calls unpaid	Nil	Nil
	Forfeited shares	Nil	Nil
<b>2.</b>	<b>RESERVES AND SURPLUS</b>		
	(a) Securities Premium Reserve		
	Share Premium Account	2,116.43	2,116.43
	(b) Other Reserves		
	General Reserve		
	Balance at the beginning of the reporting period	3,574.63	3,551.20
	Additions during the year	-	23.43
	Balance at the end of the reporting period	3,574.63	3,574.63
	(c) Capital Reserve		
	Balance at the beginning of the reporting period	100.82	100.82
	Additions during the year	-	
	Balance at the end of the reporting period	100.82	100.82
	(d) Surplus-Balance in Profit and Loss Account		
	Balance at the beginning of the reporting period	757.88	311.68
	Add : Current Year Surplus	-751.45	558.05
	Less : Transfer to General Reserve	-	23.43
	Less : Proposed Dividend	-	76.08
	Less : Dividend Distribution Tax	-	12.34
	Closing Balance	-751.45	446.20
	Balance at the end of the reporting period	6.43	757.88
	<b>Total Reserves and Surplus</b>	<b>5,798.31</b>	<b>6,549.76</b>

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

Notes No.	DETAILS FOR BALANCE SHEET	Figures for the current reporting period 31.3.2012	Figures for the previous reporting period 31.3.2011
		Rs. in lakhs	
<b>3.</b>	<b>LONG TERM BORROWINGS</b>		
	<b>A. Term Loans-Secured</b>		
1.	<b>Technology Development Board</b>	<b>501.00</b>	668.00
	Secured by hypothecation of moveable Fixed Assets of the Company and guarantees by two Directors of the Company and also the guarantee of the subsidiary. Repayment 2013-14 Rs.167 lakhs, 2014-15 Rs.167 lakhs, 2015-16 Rs.167 lakhs. Excludes installments of Rs.167 lakhs due before 31.03.2013 included under current liabilities		
2.	<b>Indusind Bank</b>	<b>8.61</b>	108.57
	Repayment in monthly installments in 2013-14-Rs.8.61 lakhs		
3.	<b>State Bank of India</b>	<b>869.51</b>	997.51
	Repayable in monthly installments in 2013-14 - Rs.164 lakhs, 2014-15 - Rs.203 lakhs, 2015-16 - Rs.240 lakhs and 2016-17 - Rs.262 lakhs (Secured by a charge on the specific items of fixed assets acquired out of the Term loans and a charge on other fixed assets on pari passu basis, the holding company and two Directors have guaranteed the above loans)		
	<b>Total Secured</b>	<b>1,379.12</b>	1,774.08
	<b>B. Unsecured-Loans and Advances from Related parties</b>		
1.	<b>Loans from Directors</b>	<b>1,794.63</b>	1,653.27
	No repayment date is fixed. Repayable at the option of the Company/Directors. Amount expected to be repaid during 2012-13 is classified as current liability.		
2.	Loan from a Company in which the Directors are interested	<b>420.36</b>	385.65
	The Directors and associate Company have agreed to take the repayment along with interest after repayment of other secured loans. However, the Company has option to repay the loan/interest earlier. Amounts proposed to be repaid during 2012-13 have been classified under current liabilities.		
	<b>Total Unsecured Loans</b>	<b>2,214.99</b>	2,038.92
	<b>Total Long Term Borrowings</b>	<b>3,594.11</b>	3,813.00

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

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


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

Notes No.	DETAILS FOR BALANCE SHEET	Figures for the current reporting period 31.3.2012	Figures for the previous reporting period 31.3.2011
		Rs. In lakhs	
<b>4.</b>	<b>DEFERRED TAX LIABILITIES</b>		
	Items considered for Deferred Tax Liability/Asset		
	Depreciation	2,738.66	2,881.59
	Deferred Tax Liability-A	899.25	955.10
	Carry Over Loss and other timing difference items	1,418.09	1,399.29
	Deferred Tax Asset-B	468.44	467.59
	<b>Deferred Tax Liability-Net (A-B)</b>	<b>430.81</b>	<b>487.51</b>
<b>5.</b>	<b>OTHER LONG TERM LIABILITIES</b>		
	Interest accrued not due payable after 12 months	74.72	65.14
	Total other Long Term Liabilities	74.72	65.14
<b>6.</b>	<b>LONG TERM PROVISIONS</b>		
	Provision for Employee benefits – Gratuity	69.76	32.00
<b>7.</b>	<b>SHORT TERM BORROWINGS</b>		
	<b>Loans repayable on demand from - Secured</b>		
	From Banks (Working capital facilities-Cash Credit, Export packing credit and Bills discounted)		
	State Bank of India	1,029.21	960.79
	Bank of Baroda	12.47	192.44
	Indian Overseas Bank	1.65	100.87
	Corporation Bank	1.46	60.26
	Indusind Bank	-	178.87
	Secured by a first charge on current assets, mortgage of factory land and buildings and second charge on movable fixed assets on pari passu basis		
	<b>Total Short term Borrowings</b>	<b>1,044.79</b>	<b>1,493.23</b>
	There is no default in payment of principal or interest for the above		
<b>8.</b>	<b>TRADE PAYABLES</b>		
	<b>Liabilities for Supplies and Services</b>		
	Micro, Medium and Small Enterprises	35.84	6.78
	Others	428.90	944.72
	<b>Total Trade payables</b>	<b>464.74</b>	<b>951.50</b>

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

Notes No.	DETAILS FOR BALANCE SHEET	Figures for the current reporting period	Figures for the previous reporting period
		31.3.2012	31.3.2011
		Rs. in lakhs	
<b>9.</b>	<b>OTHER CURRENT LIABILITIES</b>		
	Current Maturities of Long Term Debt (Secured)		
	<b>Technology Development Board</b>	<b>167.00</b>	82.00
	<b>Indusind Bank</b>	<b>99.96</b>	99.96
	<b>State Bank of India</b>	<b>128.00</b>	109.74
	Current Maturities of Long Term Debt (UnSecured)	<b>150.00</b>	111.00
	Interest accrued but not due on borrowings	<b>50.86</b>	2.31
	Interest accrued but due on borrowings	–	–
	Advance Received against sales	<b>557.75</b>	660.82
	Investor's Education and Protection Fund-Unpaid Dividends	<b>6.85</b>	8.68
	Liabilities for other Finance-Tax collections payable, Deductions from Salaries and Wages, etc.	<b>10.98</b>	99.06
	<b>Total Other Current Liabilities</b>	<b>1,171.40</b>	1,173.57
<b>10.</b>	<b>SHORT TERM PROVISIONS</b>		
	Provision for Employee benefits	<b>165.98</b>	129.83
	Provision for Income tax	<b>59.00</b>	127.00
	Provision for Dividends	–	76.08
	Provision for Dividend distribution tax	–	12.34
	<b>Total Short Term Provisions</b>	<b>224.98</b>	345.25

**NOTES TO THE FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS REQUIRED UNDER ACCOUNTING STANDARDS (CONSOLIDATED)**  
**11. FIXED ASSETS**

(Rs. in lakhs)

ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost as on 01.04.2011	Additions	Sales/ Transfers	Cost as on 31.03.2012	Upto 31.03.2011	For the year	Withdrawn during the year	Upto 31.03.2012	31.03.2012	31.03.2011
<b>TANGIBLE ASSETS</b>										
Land	1,120.10	-	-	1,120.10	-	-	-	-	1,120.10	1,120.10
Buildings	2,592.10	-	-	2,592.10	622.30	85.77	-	708.07	1,884.03	1,969.80
Plant & Machinery	10,327.72	386.83	52.24	10,662.31	5,678.45	686.17	47.55	6,317.07	4,345.24	4,649.27
Vehicles	101.45	-	-	101.45	64.42	6.95	-	71.37	30.08	37.03
Furniture and fittings	286.94	3.92	-	290.86	113.17	20.37	-	133.54	157.32	173.77
Office Equipments	194.72	35.03	-	229.75	136.88	21.35	-	158.23	71.52	57.84
<b>Sub Total A</b>	<b>14,623.03</b>	<b>425.78</b>	<b>52.24</b>	<b>14,996.57</b>	<b>6,615.22</b>	<b>820.61</b>	<b>47.55</b>	<b>7,388.28</b>	<b>7,608.29</b>	<b>8,007.81</b>
<b>INTANGIBLE ASSETS</b>										
Computer Software	18.93	33.48	-	52.41	14.16	12.20	-	26.36	26.05	4.77
<b>Sub Total B</b>	<b>18.93</b>	<b>33.48</b>	<b>-</b>	<b>52.41</b>	<b>14.16</b>	<b>12.20</b>	<b>-</b>	<b>26.36</b>	<b>26.05</b>	<b>4.77</b>
<b>Total (A+B)</b>	<b>14,641.96</b>	<b>459.26</b>	<b>52.24</b>	<b>15,048.98</b>	<b>6,629.38</b>	<b>832.81</b>	<b>47.55</b>	<b>7,414.64</b>	<b>7,634.34</b>	<b>8,012.58</b>
Previous Year	14,168.23	718.25	244.53	14,641.95	6,070.34	799.82	240.78	6,629.38	8,012.57	8,097.89

*Additional Disclosure :*

Profit / (loss) on disposal of fixed assets during the year ended 31st March 2012 is Rs.44.52 Lakhs (Rs. 10.17 For the year ended 31st March 2011).

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

Notes No.	DETAILS FOR BALANCE SHEET	Figures for the current reporting period 31.3.2012	Figures for the previous reporting period 31.3.2011
Rs. in lakhs			
<b>12.</b>	<b>NON-CURRENT INVESTMENTS</b>		
	<b>(I) In Government or Trust Securities</b>		
	A. 7 Years National Savings Certificate at cost	<b>0.10</b>	0.10
	B. 5.5% Non Convertible Redeemable Taxable Bonds Series VI 180 nos. Face Value of Rs. 10,000/- each of Rural Electrification Corporation Limited	<b>0.00</b>	18.00
	<b>(II) In Shares and Bonds</b>		
	<b>Non-Trade Quoted</b>		
	1,500 Equity Shares of Rs.10/- each in M/s Lakshmi Machine Works Limited, fully paid up, at cost	<b>0.14</b>	0.14
	10,000 Equity Shares of Rs.10/- each in M/s Precision Fasteners Limited, fully paid up, at cost	<b>5.00</b>	5.00
	200 Equity Shares of Rs.10/- each in M/s IFCI Limited fully paid up, at cost	<b>0.04</b>	0.04
	334 Equity Shares of Rs.10/- each in State Bank of India, fully paid up, at cost	<b>1.59</b>	1.59
	13100 Equity Shares of Rs.10/- each in Veejay Sales & Services Ltd., fully paid up, at cost	<b>1.31</b>	–
	Total	<b>8.18</b>	24.87
	Less Investment Fluctuation Reserve	<b>5.02</b>	5.02
	Total	<b>3.16</b>	19.85
	Aggregate Value Of Quoted Investment – Cost	<b>6.77</b>	
	– Market Value	<b>30.90</b>	
	Aggregate Value of Unquoted Investments – Cost	<b>1.41</b>	




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

Notes No.	DETAILS FOR BALANCE SHEET / PROFIT AND LOSS ACCOUNT	Figures for the current reporting period 31.3.2012	Figures for the previous reporting period 31.3.2011
		Rs. in lakhs	
<b>13.</b>	<b>LONG TERM LOANS AND ADVANCES</b>		
	Secured considered good		
	Capital Advances	77.93	146.68
	Security Deposits	84.15	60.73
	<b>Long Term Loans and Advances - Total</b>	<b>162.08</b>	<b>207.41</b>
	All the above are unsecured but considered good and no allowance made for bad or doubtful debt		
<b>14.</b>	<b>INVENTORIES</b>		
	Raw Materials	702.35	735.67
	Scrap	2.99	10.94
	Components	313.65	316.01
	Work-in-Progress	2,634.00	2,824.12
	Finished goods	33.56	229.27
	Machinery spares	11.41	5.29
	Stores	162.34	187.19
	<b>Total Inventory</b>	<b>3,860.30</b>	<b>4,308.49</b>
<b>15.</b>	<b>TRADE RECEIVABLES</b>		
	<b>a) Outstanding for a period above six months</b>		
	i. Secured considered good	-	-
	ii. Unsecured considered good	153.32	195.56
	iii. Doubtful	21.67	21.67
	(Allowance for Bad and doubtful debts in iii above)	-21.67	-21.67
	<b>b) Others</b>	-	-
	i. Secured considered good	-	-
	ii. Unsecured considered good	557.64	1,235.88
	iii. Doubtful	-	-
	(Allowance for Bad and doubtful debts in iii above)	-	-
	<b>Total Trade receivables</b>	<b>710.96</b>	<b>1,431.44</b>
	Debts due by Directors or other officers or debts due by firms or private companies of which any Director is a partner, member or Director included in above	Nil	Nil

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

Notes No.	DETAILS FOR BALANCE SHEET	Figures for the current reporting period	Figures for the previous reporting period
		31.3.2012	31.3.2011
		Rs. in lakhs	
<b>16.</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Balance with Banks		
	- in Current Accounts	<b>11.53</b>	4.71
	- in Deposit Account with maturity more than 12 months	<b>10.09</b>	10.09
	- in Deposit Account with maturity less than 12 months	<b>208.16</b>	339.42
	- Deposits for Margin money or for other commitments/security	<b>10.67</b>	25.17
	Cheques, drafts on hand	—	—
	Ear marked balances with Banks - Unpaid Dividends (Investor's Protection and Education Fund)	<b>6.85</b>	8.68
	Cash on hand	<b>33.86</b>	9.91
	<b>Total Cash and Cash equivalents</b>	<b>281.16</b>	397.98
<b>17.</b>	<b>SHORT TERM LOANS AND ADVANCES</b>		
	<b>Unsecured-considered good</b>		
	i) Advance to Suppliers-Others	<b>201.58</b>	280.79
	ii) Advance to Staff and Workers	<b>5.20</b>	6.29
	<b>Unsecured-Doubtful</b>		
	Advance to suppliers - Others	<b>5.12</b>	5.12
	<b>Total Short Term Loans and Advances</b>	<b>211.90</b>	292.20
<b>18.</b>	<b>OTHER CURRENT ASSETS</b>		
	Advance payment of Taxes and TDS	<b>209.44</b>	262.70
	Cenvat/Vat credit, Duty draw back and other receivables	<b>290.52</b>	472.82
	Prepaid Expenses	<b>16.95</b>	12.68
	<b>Total Other Current Assets</b>	<b>516.91</b>	748.20
<b>19.</b>	<b>REVENUE FROM OPERATIONS</b>		
	a) Sale of Products	<b>10,963.44</b>	16,076.17
	b) Sale of Services	<b>223.61</b>	84.18
	c) Other operating revenues	<b>198.28</b>	42.96
	Sub total	<b>11,385.33</b>	16,203.31
	Less: Excise Duty	<b>565.48</b>	880.11
	<b>Revenue net of Excise duty</b>	<b>10,819.85</b>	15,323.20


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

Notes No.	DETAILS FOR PROFIT AND LOSS ACCOUNT	Figures for the current reporting period	Figures for the previous reporting period
		31.3.2012	31.3.2011
		Rs. in lakhs	
<b>20. OTHER INCOME</b>			
	Interest receipts	19.27	27.06
	Dividend Receipts	0.47	0.29
	Net gain/Loss on Asset	44.52	10.17
	<b>Total Other Income</b>	<b>64.26</b>	<b>37.52</b>
<b>21. COST OF MATERIALS CONSUMED</b>			
	Raw materials-Ferrous	338.38	1,011.21
	Raw materials-Non-Ferrous	164.20	582.11
	Raw materials-Castings	93.10	213.18
	Raw materials-Non metals	85.09	-
	Raw materials Components	2,318.16	4,158.16
	Raw materials cotton	3,324.77	2,779.48
	<b>Materials consumed</b>	<b>6,323.70</b>	<b>8,744.14</b>
<b>22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN PROCESS AND STOCK IN TRADE</b>			
	Opening stock	3,064.32	2,343.10
	Closing stock	2,670.54	3,064.33
	<b>(Increase)/Decrease</b>	<b>393.78</b>	<b>-721.23</b>
<b>23. EMPLOYEE BENEFIT EXPENSES</b>			
	Salary, Wages, Gratuity, etc	1,404.01	1,709.90
	Contribution to Provident Fund	64.23	60.65
	Staff and Labour Welfare expenses	114.38	162.18
	<b>Total Employee Cost</b>	<b>1,582.62</b>	<b>1,932.73</b>
<b>24. FINANCE COSTS</b>			
	Interest expense	398.65	470.29
	Other borrowing costs	108.90	86.62
	Net gain/loss on foreign currency transactions	-10.40	17.97
	<b>Total Finance Cost</b>	<b>497.15</b>	<b>574.88</b>

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

Notes No.	DETAILS FOR BALANCE SHEET	Figures for the current reporting period	Figures for the previous reporting period
		31.3.2012	31.3.2011
		Rs. in lakhs	
<b>25. OTHER EXPENSES</b>			
	Stores consumed	393.36	650.78
	Fabrication Charges	263.70	727.67
	Power and Fuel	676.77	764.17
	Freight	112.70	65.94
	Printing and Stationery	8.65	20.50
	Postage and Telephone	22.28	30.98
	Travelling and Vehicle Maintenance	108.28	140.94
	Insurance	13.67	9.34
	Rent	14.97	18.40
	Licence and Taxes	45.11	36.98
	Sales commission	171.47	318.85
	Sales promotion expenses	22.38	86.84
	Subscription and periodicals	3.88	5.43
	Directors' sitting fees	0.88	0.71
	Audit fees		
	a) Statutory Audit	2.22	1.50
	b) For Taxation matters	1.00	1.20
	c) Other Services	0.30	–
	d) Reimbursement expenses	0.03	0.13
	Legal and Professional charges	24.26	34.20
	Repairs and Maintenance-Buildings	27.57	24.30
	Repairs and Maintenance-Machinery	74.35	156.75
	Repairs and Maintenance-Others	7.40	9.16
	Bad Debts written off	–	27.80
	Foreign Exchange fluctuation Loss	–	22.49
	Miscellaneous expenses	–	0.38
	Donations	0.04	3.54
	Preliminary expenses written off	–	1.20
	<b>Total Other Expenses</b>	<b>1,995.27</b>	<b>3,160.18</b>

See accompanying notes to the financial statements.

	As per our report attached	(Sd/-) V.J. JAYARAMAN	(Sd/-) J. ANAND
	For <b>N.R. DORAISWAMI &amp; CO</b>	Chairman Cum Managing Director	Managing Director
	Chartered Accountants		
	(Firm Registration No. 000771S)		(Sd/-) D. RANGANATHAN
Coimbatore	(Sd/-) <b>SUGUNA RAVICHANDRAN</b>		Whole Time Director
28.5.2012	Partner, (Membership No.207893)		



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2012

	Year ended March, 2012	Year ended March, 2011
	Rs. in Lakhs	
<b>A. Cash Flow from Operating Activities</b>		
Net Profit Before Tax and extra ordinary item	-741.22	870.20
Adjustments for :		
Depreciation	832.81	799.82
Interest paid	497.15	574.88
Profit on sale of Investments/Assets	-44.52	-10.17
Interest/Dividend Income	-19.74	-27.35
<b>Operating Profit before working capital changes</b>	<b>524.48</b>	<b>2,190.59</b>
(Increase)/Decrease in Trade and Other Receivables	<b>1,022.38</b>	-269.95
Increase/(Decrease) in Payables	<b>-1013.44</b>	-898.27
Decrease/(Increase) in Inventories	<b>448.19</b>	-564.75
<b>Cash generated from operations</b>	<b>981.61</b>	457.62
Direct Taxes paid	-94.01	-155.03
<b>Cash flow before extra ordinary items</b>	<b>887.60</b>	302.59
<b>Net Cash from Operating Activities</b>	<b>887.60</b>	302.59
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	-459.27	-718.24
Sale of Fixed Assets	49.21	13.92
Investment in subsidiary	-	-
Sale of Investments	16.69	-
Interest received	21.04	27.95
Dividend Received	0.47	0.29
<b>Net cash used for Investing Activities</b>	<b>-371.86</b>	-676.08
<b>C. Cash flow from Financing Activities</b>		
Increase/(Repayment) of Long Term borrowings	-115.63	887.78
Dividends paid	-77.91	-0.02
Interest paid	-439.02	-562.38
Preliminary Exp	-	-
<b>Net cash from financing activities</b>	<b>-632.56</b>	325.38
<b>Net Increase in cash and cash equivalents</b>	<b>-116.82</b>	-48.11
<b>Cash and Cash equivalents as at 31.3.2011</b>	<b>397.98</b>	446.09
<b>Cash and Cash equivalents as at 31.3.2012</b>	<b>281.16</b>	397.98

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

Coimbatore  
28.5.2012



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.3.2012

### I. SIGNIFICANT ACCOUNTING POLICIES

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

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

2. Accounting policies followed are as set out under "Significant Accounting Policies" of the financial statements of the holding and subsidiary companies.
3. **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.

#### 4. Inventory Valuation of Subsidiary

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 2012

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

#### 2. EXPENDITURE IN FOREIGN CURRENCY

A. Value of Imports CIF	2011-2012		2010-2011	
		Rs. in lakhs		Rs. in lakhs
i. Raw materials		138.43		171.58
ii. Components, spares parts and consumables		1,565.09		2,784.73
iii Capital goods		5.71		NIL
<b>B. Other Matters</b>		<b>21.50</b>		27.60
C. Consumption	Rs. in lakhs	% of Total Consumption	Rs. in lakhs	% of Total Consumption
i. Total value of all imported raw materials, components and spares parts consumed	884.25	14%	2,781.34	32%
ii. Total value of all indigenous raw materials, components and spares parts consumed	5,439.45	86%	5,962.80	68%
	<b>6,323.70</b>	<b>100%</b>	8,744.14	100%


**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.3.2012 (Contd.)**
**3 CONTINGENT LIABILITIES AND CLAIMS NOT ACKNOWLEDGED AS DEBTS (Rs. in lakhs)**

	<b>31.03.2012</b>	31.03.2011
a Duty liability and interest on account of pending export obligation against EPCG Licences	<b>24.66</b>	140.60
b Income tax liability on expenses disallowed /additions proposed disputed in appeals	<b>66.16</b>	88.55
c Amounts claimed by customs,Excise and Market committee authorities disputed in appeals	<b>28.89</b>	22.13
d Claims from Debtors,Creditors and workmen not acknowledged as debts including interest	<b>26.88</b>	28.18
e Guarantees given on behalf of the Directors or other officers of the Company	–	–
f Guarantees issued by Banks on behalf of the Company	<b>901.74</b>	796.82
g Letter of Credit opened by Banks on behalf of the Company	<b>76.26</b>	489.00
h Guarantee issued on behalf of Subsidiary guaranteed by the Company in which Directors are interested	<b>345.00</b>	486.00
l Estimated amount of contracts remaining to be executed on capital account and not provided for	<b>137.99</b>	169.46
j Credit facilities of Subsidiary guaranteed by the Company - outstanding -both fund based and non-fund based	<b>2,046.00</b>	2,487.00
k Duty liability against Advance Licences for Deemed Exports - Export obligation fulfilled b physical export but not accepted by Government	<b>97.13</b>	85.75
l Estimated amount of capital contracts remaining to be executed	<b>520.24</b>	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.	<b>49.17</b>	49.17

4. Research and Development expenses incurred **63.38** 117.65
5. Gain (Loss) on account of foreign exchange difference included in the profit and loss account **14.06** 1.21
6. 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	<b>Amount in respective currencies</b>	
USD	<b>232,776</b>	418,912
EURO	<b>3,315</b>	565,819
JPY	–	8,450,000
CHF	<b>406,500</b>	761,692
Export Receivables		
USD		320,548
EURO	<b>324</b>	

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.3.2012 (Contd.)****7. Segment Report for the year ended 31.3.2012**

Revenue	31st March 2012				31st March 2011			
	Engg Dvn.	Wind Mill	Textile Dvn	Total	Engg Dvn	Wind Mill	Textile Dvn	Total
External Sales	5,740	265	4,884	10,889	9,908	307	5,133	15,348
Inter Segment Transfers	-9	-	-16	-25	-15	-	-	-15
Total Revenue	5,731	265	4,869	10,864	9,893	307	5,133	15,333
Result	-	-	-	-	-	-	-	-
Segment Result	186	125	-572	-261	929	303	202	1,434
Unallocated including exceptional items	-	-	-	-	-	-	-	-
Operating Profit	186	125	-572	-261	929	303	202	1,414
Less: Interest Expense	-	-	-	-497	-	-	-	-557
Interest Income	-	-	-	20	-	-	-	28
Income Taxes	-	-	-	-55	-	-	-	-313
Unallocable Income	-	-	-	-	-	-	-	-
Profit from Ordinary Activities	-	-	-	-793	-	-	-	572
Extra Ordinary Items	-	-	-	-12	-	-	-	-
Net Profit	-	-	-	-805	-	-	-	572
Other Information	-	-	-	-	-	-	-	-
Segment Assets	6,256	984	5,587	12,828	7,263	1,099	6,298	14,660
Un allocated Corporate Assets	-	-	88	3,365	-	-	-	3,588
Total Assets	6,256	984	5,675	16,193	-	-	-	18,248
Segment Liabilities	967	5	144	1,116	1,246	1	75	1,322
Un allocated Corporate Liabilities	-	-	-	15,087	-	-	-	16,926
Total Liabilities	-	-	-	16,193	-	-	-	18,248
Capital Expenditure	109	-	350	459	132	-	586	718
Depreciation	516	49	268	833	524	49	227	800
Non Cash Expenditure other than depreciation	-	-	-	-	-	-	-	-




**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.3.2012 (Contd.)**
**8. Related Party Disclosures for the year ended 31.03.2012** (Rs. in lakhs)

Particulars		Associated Companies/ Firms
Purchase of goods and services-raw materials, components and engineering job works	<b>2011-12</b>	<b>71.42</b>
	2010-11	112.98
Sale of machinery, spares, raw materials, components and jobworks	<b>2011-12</b>	<b>126.14</b>
	2010-11	32.86
Sales commission paid	<b>2011-12</b>	<b>110.89</b>
	2010-11	222.15
Rent paid	<b>2011-12</b>	<b>14.52</b>
	2010-11	14.52
Managerial remuneration	<b>2011-12</b>	<b>54.08</b>
	2010-11	54.57
Unsecured Loans	<b>2011-12</b>	<b>2,364.99</b>
	2010-11	2,149.93
Interest paid on loans	<b>2011-12</b>	<b>195.86</b>
	2010-11	153.00
Finance including loans and equity/Preference share capital contribution in cash or in kind	<b>2011-12</b>	–
	2010-11	–
Guarantees and collaterals	<b>2011-12</b>	<b>345.00</b>
	2010-11	486.00
Outstanding due from the Company	<b>2011-12</b>	<b>20.59</b>
	2010-11	3.16
Outstanding due to the Company	<b>2011-12</b>	<b>1.99</b>
	2010-11	–

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)

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.3.2012 (Contd.)****A. Companies / firms with which the Company had transactions during the year.**

S.No.	Name of the Company/Firm
1	M/s. Veejay Sales and Services Limited
2	M/s. Veejay Terry Products Limited
3	M/s. Veejay Marketing
4	M/s. Veejay Syntex Private Limited
5	M/s. Veejay Yarns & Fabrics Private Limited
6	M/s. Augustan Knit Wear Pvt. Ltd.
7	M/s. Augustan Textile Colors Limited
8	M/s. Augustan Coimbatore Knitting Company 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
14. M/s. Kovai Medical Centre and Hospitals Pvt. Ltd.
15. M/s. Veejay Tool & Die Private Limited

**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

**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

**9. 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) 31.03.2012	Gratuity (Funded) 31.03.2011
<b>A. Expense recognised during year ended 31.03.2012</b>		
1. Current Service cost	<b>874,108</b>	693,538
2. Interest Cost	<b>752,048</b>	556,408
3. Expected return on plan assets	<b>-554,138</b>	-556,447
4. Actuarial Losses / (Gains) during the year	<b>3,141,916</b>	1,924,207
5. Direct payment/Past service cost vested benefits	-	226,208
6. Total Expense	<b>4,213,934</b>	2,843,914



**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.3.2012 (Contd.)** (Value in Rs.)

	Gratuity (Funded) 31.03.2012	Gratuity (Funded) 31.03.2011
<b>B. Actual return on Plan assets</b>		
1. Expected return on plan assets	554,138	556,447
2. Actuarial (Loss) / Gain on Plan assets	-416,893	-556,447
3. Actual return on plan assets	137,245	-
<b>C. Net Asset / (Liability) recognised in the Balance Sheet</b>		
1. Present value of the obligation as on 31.03.2012	13,546,157	9,606,241
2. Fair value of plan assets as on 31.03.2012	6,543,464	6,406,219
3. Funded status (surplus(deficit))	-7,002,693	-3,200,022
4. Unrecognised past service cost	-	-
5. Net Asset/(Liability) recognised in the Balance sheet	-7,002,693	-3,200,022
<b>D. Change in Present value of the Obligation during the year ended March 31,2012</b>		
1. Present value of the obligation as at April 1, 2011	9,606,241	7,147,879
2. Current service cost	874,108	693,538
3. Interest cost	752,048	556,408
4. Benefits paid	-411,264	-159,344
5. Actuarial (gain) / loss on obligation	2,725,024	1,367,760
6. Present value of obligation as at March 31,2012	13,546,157	9,606,241
<b>E. Change in Assets during the year ended March 31, 2012</b>		
1. Fair value of plan assets as at April 1, 2011	6,406,219	6,459,605
2. Expected return on plan assets	554,138	556,447
3. Contributions made	411,264	332,166
4. Benefits paid	-411,264	-385,552
5. Actuarial gain / (loss) on plan assets	-416,893	-556,447
6. Fair value of plan assets as at March 31, 2012	6,543,464	6,406,219
<b>F. Major categories of plan assets as a percentage of total plan</b>		
Qualifying insurance policies	1,364,926	1,563,001
Own plan assets	5,178,538	4,843,218
Total	6,543,464	6,406,219
<b>G. Actuarial Assumptions</b>		
1. Discount rate	8.70%	8.00%
2. Salary escalation	5.00%	5.00%
3. Expected rate of return on plan assets	8.65%	8.65%
4. Attrition rate - VJLEW	-	-
- VLTL	2.00%	2.00%
5. Mortality rate - VJLEW	LIC 94-96 Rates	LIC 94-96 Rates
- VLTL	LIC 96-98 Rates	LIC 96-98 Rates

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.3.2012 (Contd.)**

10. As defined under Micro, small and Medium Enterprises Development Act 2006, the disclosure in respect of the amount payable to such enterprises as at 31.03.2012 has been made in the financial statements based on information received and available with the company.

	(Rs. in lakhs)	
	31/03/12	31/03/11
a) The Principal amount due there on remaining unpaid to any supplier as at the end of each accounting year	<b>35.84</b>	6.78
b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the payment made to the supplier beyond the appointed day during each accounting year	<b>Nil</b>	Nil
c) The amount of interest due and payable for the period of delay in making payment (Which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	<b>Nil</b>	Nil
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	<b>Nil</b>	Nil
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the dues are actually paid for the purpose of disallowance under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	<b>Nil</b>	Nil

**11. Earnings per share**

Profit for the year as per Profit and Loss account	<b>(741.22)</b>	870.20
Less : Taxes	<b>10.23</b>	312.15
Profit After Tax	<b>(751.45)</b>	558.05
Number of Shares	<b>5,071,900</b>	5,071,900
EPS / Diluted EPS	<b>-14.82</b>	11.00

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

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

Coimbatore  
28.05.2012

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

**(Sd/-) J. ANAND**  
Managing Director

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

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# VEEJAY LAKSHMI ENGINEERING WORKS LIMITED

Regd. Office : Sengalipalayam, N.G.G.O. Colony Post, Coimbatore 641 022.

## ADMISSION SLIP

Name of the Member		Folio No.	
Name of Proxy		No. of Shares	

I hereby record my presence at the 37th Annual General Meeting of the Company held on Thursday, the 27th September, 2012, at 10.45 A.M. at Nani Palkhivala Auditorium, Mani Higher Secondary School Premises, Pappanaickenpalayam, Coimbatore 641 037.

.....  
Signature of Member / Proxy

- Notes :**
1. Shareholders / Proxies must bring the Admission Slip to the meeting and hand it over at the entrance, duly signed.
  2. Share holders are requested to advise their change of address as well as request for consolidation of folios, if any, to the above address, quoting folio numbers.

# VEEJAY LAKSHMI ENGINEERING WORKS LIMITED

Regd. Office : Sengalipalayam, N.G.G.O. Colony Post, Coimbatore 641 022.

## PROXY FORM

I / We ..... of ..... being a Member/Members of Veejay Lakshmi Engineering Works Limited, hereby appoint ..... of ..... or failing him/her ..... of .. ..... as my / our Proxy to attend and vote for me/us on my/our behalf at the 37th Annual General Meeting of the Company held on Thursday, the 27th September, 2012, at 10.45 A.M. at Nani Palkhivala Auditorium, Mani Higher Secondary School Premises, Pappanaickenpalayam, Coimbatore 641 037 and at any adjournment thereof.

As witness by my/our hand(s) this ..... day of ..... 2012.

Signed by the said .....

Folio No.	No. of Shares
DP. ID*	Client ID*

AFFIX  
Re. 1  
REVENUE  
STAMP

\* Applicable to investors holding shares in Electronic Form

**Notes :** The proxy form must be returned so as to reach the Registered Office of the Company Sengalipalayam, N.G.G.O. Colony Post, Coimbatore 641 022 not less than forty-eight hours before the time for holding the aforesaid meeting.

**BOOK POST**

**To**

*If undelivered please return to :*

**S.K.D.C. CONSULTANTS LIMITED**  
Kanapathy Towers, 3rd Floor  
1391/A-1, Sathy Road, Ganapathy  
Coimbatore - 641 006