



VEEJAY LAKSHMI ENGINEERING WORKS LIMITED

FORTY-SEVENTH ANNUAL REPORT 2021-2022

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**BOARD OF DIRECTORS**

Sri V.J. JAYARAMAN (DIN 00137340)
Chairman

Sri N. M. ANANTHAPADMANABHAN
(DIN 00014436)

Sri N. ATHIMOOLAM NAIDU
(DIN 01410988)

Sri J. ANAND (DIN 00137425)
Managing Director

Sri B. SRIRAM (DIN 00151097)

Sri D. RANGANATHAN (DIN 00137566)
Whole Time Director

Smt ARTHI ANAND (DIN 07151584)

Sri K. NARENDRA (DIN 00412219)

COMPANY SECRETARY

Sri V.K. SWAMINATHAN

REGISTERED OFFICE

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

AUDITOR

M/s. Manohar Chowdhry & Associates
Chartered Accountants
No. 27, Subramaniam Street
Abirampuram, Chennai - 600 018

SECRETARIAL AUDITOR

Sri K. MUTHUSAMY
Practicing Company Secretary
Coimbatore - 641 037

WORKS**Engg. Units**

- a. Sengalipalayam
Coimbatore 641 022
- b. Athippalayam Road
Vellamada (P.O.)
Coimbatore 641 110

Textile Unit

Thekkampatti
Mettupalayam Taluk
Coimbatore 641 113

WIND MILLS

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

REGISTRAR & SHARE TRANSFER AGENT

M/s. S.K.D.C. Consultants Limited
"Surya," 35, Mayflower Avenue
Sowripalayam Road
Coimbatore - 641 028



Regd. Office: Sengalipalayam, NGGO Colony PO, Coimbatore – 641022
Phone: 7373045125 Fax: 0422 2460453
CIN: L29191TZ1974PLC000705
Email: accounts@veejaylakshmi.com Website: www.veejaylakshmi.com

NOTICE TO SHAREHOLDERS

Notice is hereby given that the Forty Seventh Annual General Meeting of the shareholders of Veejay Lakshmi Engineering Works Limited will be held on Wednesday, the 28th day of September 2022 at 10.30AM at No.9, ARDRA Hall, Huzur Road, Coimbatore - 641 018 to transact the following business:

Ordinary Business:

1. To consider and adopt the Annual Financial Statements including Statement of Profit and Loss, Cash Flow Statement for the year ended 31st March 2022, the Balance Sheet as on that date, the Report of Board of Directors and the Auditors' Report thereon.
2. To appoint a Director in the place of Smt Arthi Anand (DIN 07151584), who retires by rotation and being eligible, offers herself for re-appointment.
3. To pass the following resolution as an ordinary Resolution:
"RESOLVED THAT pursuant to provisions of Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, approval of the Company be and is hereby given,
to record the retirement of M/s. Manohar Chowdhry & Associates, Chartered Accountants, Chennai from the conclusion of this Annual General Meeting on the expiry of their term of office and to approve as recommended by the Audit Committee and the Board of Directors, the appointment of M/s. N R D Associates, Chartered Accountants, Coimbatore, Firm registration No. 005662S for a term of five consecutive years commencing from 2022-23 to 2026-27 to hold office till the conclusion of the sixth Annual General Meeting to be held in 2027 and at such audit fee as shall be fixed by the Board of Directors of the company."

Special Business:

4. To consider and, if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:
'RESOLVED THAT in accordance with the provisions of Sections 196,197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including statutory modification or amendment or re-enactment thereof and subject to such other approvals as may be necessary, consent of shareholders be and is hereby accorded for the reappointment of Sri. J. Anand (DIN 00137425) as Managing Director of the Company for a period of three years from 01/10/2022 to 30/09/2025 on the following terms and conditions:

Remuneration:

- i) Salary: Rs. 2,50,000/- per month
In addition to the above salary the Managing Director is entitled to perquisites and allowances as detailed below:

Category A:

- a) Medical Reimbursement:
Reimbursement of medical expenses incurred for self and family.
- b) Leave Travel Concession:
Once in a year for self and family.



c) Personal Accident Insurance:

Premium not exceeding Rs.5000/- per annum.

d) Club Fees:

Reimbursement of Club Fees, subject to a maximum of three clubs.

Category B:

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

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

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

ii) Commission:

Such remuneration by way of commission in addition to salary and perquisites and allowance shall be payable, calculated with reference to the net profits of the Company in a particular financial year, at such percentage 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 section 197 of the Companies Act, 2013. The commission amount shall however in no case exceed the annual salary amount and will be payable annually after annual accounts have been approved by the Board of Directors and adopted by the shareholders.

iii) Perquisites:

In addition to the salary the Managing Director shall also be entitled to interchangeable perquisites, like furnished accommodation and where accommodation is not provided HRA, gas, electricity, water, furnishings, medical reimbursement, LTA for self and family, club fees, medical insurance, etc., in accordance with the rules of the Company, such perquisites being restricted to the amount equal to the salary drawn per annum.

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

In addition, the Managing Director shall be entitled to Company's contribution to Provident Fund as per rules of the Company to the extent it is not taxable under the Income Tax Act, 1961. Gratuity payable shall not exceed half months salary for each completed year of service.

The Managing Director is entitled to encashment of leave at the end of the tenure. These benefits shall not be included in the computation of the ceiling on remuneration and perquisites.

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

5. To consider and if thought fit, to pass with or without modification the following resolution as Special Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including statutory modification or amendment or re-enactment thereof and subject to such other approvals as may be necessary, consent of the shareholders be and is hereby accorded for the appointment of



Sri D. Ranganathan (DIN 00137566) as Whole time Director of the Company for a period of three years from 24/06/2022 to 23/06/2025 on the following terms and conditions:

Remuneration:

i) Salary: Rs.1,08,000/- per month

ii) Perquisites:

The Whole-time Director shall also be entitled to Company's contribution to Provident Fund as per rules of the Company to the extent it is not taxable under the Income Tax Act, 1961. Gratuity payable shall not exceed half month's salary for each completed year of service.

He shall be provided with a car and telephone at residence for use on company's business.

In the event of loss or inadequacy of profits in any year the above remuneration shall be the minimum remuneration, subject to limits under Schedule V of the Companies Act, 2013.

Place : Coimbatore

Date : 05/05/2022

By order of the Board

V.J. Jayaraman

Chairman

NOTE:

1. A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote in the meeting instead of himself/herself and the proxy need not be a member of the company. The instrument appointing the proxy, duly completed, must be deposited at the company's registered office not less than 48 hours before the commencement of the meeting. A proxy form for the AGM is enclosed.
2. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. Members / proxies should present the duly filled attendance slip enclosed herewith to attend the meeting.
4. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
5. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
6. The Register of Members and share transfer books of the Company will remain closed from Thursday, the 22nd September 2022 to Wednesday, the 28th September 2022 (both days inclusive) as per Sec.91 of the Companies Act, 2013 and Reg.42(1) of the Listing Regulations.
7. Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updates of bank account details to their respective Depository participant(s).
8. Members are requested to address all correspondences, including change of address and dividend matters, to the Registrar and Share Transfer Agents of the Company, M/s S.K.D.C Consultants Limited, Surya 35, Mayflower Avenue, behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641 028.
9. Members who wish to claim dividend, which remain unclaimed, are requested to correspond with the Registrar and Share Transfer Agents of the Company. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, has, pursuant to Section 124 of the Companies Act, 2013 been transferred to the Investor Education and Protection Fund (IEPF).



10. The dividend which remains unclaimed / unpaid for seven years consecutively and those shares in respect of which dividend was not claimed for seven consecutive years will be liable to be transferred to IEPF Authority as per provisions of the Act and rules in this respect. As per provisions of Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 the Company has transferred / will be transferring unclaimed shares on which the beneficial owner has not encashed any dividend warrant during the last seven years, to the demat account of IEPF Authority. The members shall be entitled to claim the shares from IEPF authority in accordance with the procedure and after submission of documents as may be prescribed by IEPF authority from time to time.
11. The details of unpaid/unclaimed dividend and the details of shares transferred to the IEPF authority as required under rules in this respect are available on the website of the company www.veejaylakshmi.com.
12. Brief resume, details of shareholding and Directors' inter-se relationship of Director seeking election/re-election as required under Reg.36(3) of the Listing Regulations, are provided as Annexure to this notice.
13. As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register their e-mail address with the Company or the Registrars and Share Transfer Agent in respect of shares held in physical form and with the concerned Depository Participant in respect of shares held in electronic form to enable the Company to serve documents in electronic form.
14. As per the provisions of Section 72 of the Act, facility for making nominations is now available to Individual(s) holding shares in the Company. Members holding shares in electronic form have to approach their depository participants for completing the nomination formalities.
15. A member who needs any clarification on accounts or operations of the Company shall write to the Compliance Officer, so as to reach him at least 7 days before the meeting, so that the information required can be provided.
16. Electronic copy of the Annual Report and AGM Notice are being sent to all the members whose E-mail id is registered with the Company / Registrars and Share Transfer Agent unless any member has requested for a hard copy of the same.
17. The notice of the Annual General Meeting and this communication are also available on the website of the Company www.veejaylakshmi.com.

Voting Through Electronic Means

In compliance with the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Reg.44 of the Listing Regulations, the Company is pleased to provide members facility to exercise their votes for all the resolutions detailed in the Notice of the 47th Annual General Meeting scheduled to be held on Wednesday, the 28th September 2022 at 10.30 A.M by electronic means and the business may be transacted through remote e-voting. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) as the authorized agency to provide the remote e-voting facilities as per instructions below.

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

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

Votes cast by members who hold shares on the cut off date 21/09/2022 alone will be counted.

The Board has appointed Sri. B. Krishnamoorthi, "Kanapathy Towers", III Floor, No. 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641006 as Scrutinizer for conducting the e-voting process and ballot at AGM.



CDSL e-Voting System – For Remote e-voting

Instructions to Shareholders for Remote E-Voting:

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on 25/09/2022 at 9.00 AM and ends on 27/09/2022 at 05.00 PM.. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21/09/2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date will not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode with CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

	3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL.

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk. evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no. 1800 1020 990 and 1800 22 44 30

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for Remote e-Voting for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.



- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant Company Name –Veejay Lakshmi Engineering Works Limited- on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non-Individual Shareholders and Custodians – For Remote Voting only.**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.



- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; compsec@veejaylakshmi.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

Process for those Shareholders whose email/mobile no. are not registered with the Company/ Depositories

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company 'compsec@veejaylakshmi.com' / RTA 'info@skdc-consultants.com' email id..
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no. 1800 22 55 33

Place : Coimbatore
Date : 05-05-2022

By order of the Board
V.J. Jayaraman
Chairman

Announcement of Result of Voting:

The result of remote e-voting and voting by ballot at the Annual General Meeting will be announced at the Registered Office of the Company, by the Managing Director of the Company or by a Director authorized by him within 48 hours of the conclusion of the Meeting. A copy of the same will be posted on the Company's website: www.veejaylakshmi.com and a copy thereof will be forwarded to stock exchange where the shares of the Company are listed.

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

Sri J. Anand, Managing Director was reappointed for a period of 3 years from 01/10/2019 to 30/09/2022 in conformity with Schedule V of the Companies Act, 2013. The Nomination and Remuneration Committee at its Meeting held on May 05, 2022 had fixed the remuneration as set out in the resolution and recommended his reappointment. for another term of three years from 01/10/2022 to 30/09/2025 - as Managing Director and the remuneration payable as per Schedule V of the Companies Act, 2013 has been approved by the Board of Directors at the meeting held on 05-05-2022.

Sri J. Anand has been in the position of Managing Director for more than 25 years. His long experience in management and administration of corporates and his rich technical knowledge and experience is essential for the Company. Sri J. Anand has given his consent to act as Managing Director on his reappointment by the Company.

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

Interest of Directors

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

Item No. 5

Sri D. Ranganathan, Whole time Director was appointed for a period of three years from 24/06/2019 to 23/06/2022 in conformity with Schedule V of the Companies Act, 2013. The Nomination and Remuneration Committee at its meeting held on May 05, 2022 had fixed the remuneration as set out in the resolution and recommended his reappointment. for another term of three years from 24/06/2022 to 23/06/2025 as Whole-time Director and the remuneration payable as per Schedule V of the Companies Act, 2013 have been approved by the Board of Directors at the meeting held on May 05, 2022.

Sri D. Ranganathan has been in the position of Whole time Director since 2005. He has more than 45 years of experience in management and administration in the Company. His continued service with his long experience is beneficial for the Company. Sri D. Ranganathan has given his consent to act as Whole time Director on his reappointment by the Company.

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

Interest of Directors

No other director of the Company is interested in the resolution.



**STATEMENT OF DISCLOSURES PURSUANT TO SCHEDULE V TO THE COMPANIES ACT, 2013
IN RELATION TO ITEM NO 4 OF THE NOTICE**

I	(1)	Nature of Industry	Engineering and Textiles
	(2)	Date or expected date of commencement of commercial production	Year : 1974
	(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Existing Company since 1974.
	(4)	Financial Performance based on given indicators	Furnished below.
	(5)	Foreign investment or collaboration, if any	No foreign collaboration
II	Information about the appointee		
	(1)	Background details	<p>Name : J. Anand</p> <p>Date of Birth / Age : 23/09/1971 – 50 years</p> <p>Qualification : B.E, M.S. in Industrial Engg (USA) Industrialist</p> <p>Experience : More than 25 years of experience in management / administration of textiles and textile machinery manufacturing companies.</p>
	(2)	Past remuneration	Furnished below.
	(3)	Recognition or awards	He has been a member of associations / councils like Textile Machinery Manufacturers Association and ITME Society. The company was selected for R & D award by Textile Machinery Manufacturers Association (India) in 2014-15 and secured an award for export performance from TEXPROCIL during his previous term.
	(4)	Job profile and his suitability	Sri J.Anand has rich experience of around 25 years - overall control of the management of the company. Involved in Corporate Planning and Business Strategy decisions.
	(5)	Remuneration proposed	As given in the resolution.
	(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.	The proposed remuneration is as prevalent in the similar industry.
	(7)	Pecuniary relationship directly or indirectly with the company or relationship with managerial personnel, if any.	<p>A company in which he is a Director and a firm in which he is a partner have business transactions with the company.</p> <p>Related to the Non-executive Chairman</p>

III	Other Information:		
	(1)	Reasons for loss or inadequate profits	The inadequacy of profit is mainly due to fall in demand consequent to general recession in the textile industry.
	(2)	Steps taken or proposed to be taken for improvement	Measures have been taken for cost reduction and technology improvement which will help the products to remain competitive in the market.
	(3)	Expected increase in productivity and profits in measurable terms	The inadequacy of profit is mainly due to fall in demand/ sales due to general recession in the textile industry. When the markets revive the productivity / production will increase accordingly.
IV	Disclosures: Under the heading Corporate Governance		
	(i)	All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc of all the directors;	Provided in Corporate Governance Report.
	(ii)	Details of fixed component and performance linked incentives along with the performance criteria;	No performance linked incentive.
	(iii)	Service contract, notice period, severance fees;	No severance fees. Appointment of managerial personnel is for a term of three years.
	(iv)	Stock option details, if any, and whether the same has been issued as a discount as well as the period over which accrued and over which exercisable;	Nil

Past Remuneration: (Value Rs.)

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
Salary	30,00,000	30,00,000	30,73,357	24,87,354	31,02,504
Perquisites	6,11,677	9,76,101	4,56,334	2,75,500	2,11,055
Commission	Nil	Nil	Nil	Nil	Nil

Financial Performance (consolidated) based on given indicators: Values : Rs. Lakhs

Financial Performance / Year	2017-18	2018-19	2019-20	2020-21	2021-22
Turnover – Total Income	8386.99	8155.98	7051.85	5131.73	7581.96
Profit / Loss as per P&L before tax	(773.67)	47.44	(920.27)	(298.31)	83.56
Profit / Loss as per P&L after tax	(544.96)	(20.23)	(1339.93)	(294.90)	99.27
Dividend paid	–	–	–	–	–
Rate of dividend (in %)	–	–	–	–	–
Dividend paid including dividend tax	–	–	–	–	–



IN RELATION TO ITEM NO. 5 OF THE NOTICE

I	(1)	Nature of Industry	Engineering and Textiles
	(2)	Date or expected date of commencement of commercial production	Year : 1974
	(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Existing Company since 1974.
	(4)	Financial Performance based on given indicators	Furnished below
	(5)	Foreign investment or collaboration, if any	No foreign collaboration
II	Information about the appointee		
	(1)	Background details	Name : Sri D. Ranganathan Date of birth / Age : 28/04/1952 - 70 years Qualification : B. Com., M B A Experience : More than 40 years of experience in Finance, Marketing and administration.
	(2)	Past remuneration	Furnished below.
	(3)	Recognition or awards	—
	(4)	Job profile and his suitability	Sri D. Ranganathan has a long experience of more than 40 years in the area of responsibilities assumed by him.
	(5)	Remuneration proposed	As given in the resolution
	(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.	The proposed remuneration is as prevalent according to industry standards.
	(7)	Pecuniary relationship directly or indirectly with the company or relationship with managerial personnel, if any.	A company in which he is a Director has business transactions with this company.
III	Other Information:		
	(1)	Reasons for loss or inadequate profits	The loss is mainly due to fall in demand due to recession.
	(2)	Steps taken or proposed to be taken for improvement	Measures have been taken for cost reduction and technology improvement which will help the products to remain competitive in the market.
	(3)	Expected increase in productivity and profits in measurable terms	The loss is mainly due to fall in demand/ sales due to general recession in the textile industry. When the markets revive the productivity / production will increase accordingly.

IV	Disclosures: Under the heading Corporate Governance	
(i)	All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc of all the directors;	Provided in Corporate Governance Report.
(ii)	Details of fixed component and performance linked incentives along with the performance criteria;	No performance linked incentive.
(III)	Service contract, notice period, severance fees;	No severance fees. Appointment of managerial personnel is for a term of three years.
(IV)	Stock option details, if any, and whether the same has been issued as a discount as well as the period over which accrued and over which exercisable;	Nil

Past Remuneration: (Value Rs.)

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
Salary	959,917	794,800	9,69,079	9,87,459	8,88,035
Perquisites	117,277	93,380	80,074	61,694	98,314
Commission	Nil	Nil	Nil	Nil	Nil

*The remuneration includes superannuation benefits.

Financial Performance (consolidated) based on given indicators: Values : Rs. Lakhs

Financial Performance / Year	2017-18	2018-19	2019-20	2020-21	2021-22
Turnover – Total Income	8386.99	8155.98	7051.85	5131.73	7581.96
Profit / Loss as per P&L before tax	(773.67)	47.44	(920.27)	(298.31)	83.56
Profit / Loss as per P&L after tax	(544.96)	(20.23)	(1339.93)	(294.90)	99.27
Dividend paid	–	–	–	–	–
Rate of dividend (in %)	–	–	–	–	–
Dividend paid including dividend tax	–	–	–	–	–



ANNEXURE TO NOTICE OF AGM
PROFILE OF DIRECTOR SEEKING REAPPOINTMENT
(Pursuant to Reg. 36 of the SEBI (LODR) Regulations, 2015)

Sri J. Anand

Name	Sri J. Anand
Director Identification Number	00137425
Date of Birth and Nationality	23/09/1971 Indian
Inter-se relationship with other directors	Related to Sri V.J. Jayaraman, Chairman and Smt Arthi Anand, Director
Qualification	B.E., M S (USA)
Expertise in area	Over 25 years of experience in management and administration of textiles and textile machinery manufacturing companies
Number of shares held in the Company	1265678 shares – 24.955%
Board position held	Managing Director
Terms and conditions of appointment / Reappointment	Reappointment on same terms
Number of board meetings attended during the year	Information furnished in Corporate Governance Report
Directorships held in other companies	Director in: Veejay Sales and Services Limited. Krishna Mills Private Limited S V Developers (Coimbatore) Private Limited Srivalli Properties Private Limited Veejay Holdings Private Limited
Chairman / Membership in other committees of the Board	Nil

Sri D. Ranganathan

Name	Sri D. Ranganathan
Director Identification Number	00137566
Date of Birth and Nationality	28/04/1952 Indian
Inter-se relationship with other directors	Not related
Qualification	B.Com., M B A
Expertise in area	More than 40 years of experience in Finance, Marketing and Administration
Number of shares held in the Company	300
Board position held	Whole time Director
Terms and conditions of appointment / Reappointment	Reappointment with increase in remuneration by Rs.18,000/- per month. No change in other terms.
Number of board meetings attended during the year	Information furnished in Corporate Governance Report
Directorships held in other companies	Director in Veejay Sales and Services Limited
Chairman / Membership in other committees of the Board	Membership in Committees of the Board; Audit Committee Stakeholder Relationship Committee Share Transfer Committee

**Smt Arthi Anand**

Name	Smt Arthi Anand
Director Identification Number	07151584
Date of Birth and Nationality	11/05/1977 Indian
Inter-se relationship with other directors	Related to the Chairman and Managing Director
Qualification	B.Com., M.A(UK)
Expertise in area	Smt Arthi Anand had been Commercial Director in the company for more than twelve years and has been a director on the board since 2015. Well experienced in Corporate Administration
Number of shares held in the Company	Nil
Board position held	Director - Non executive
Terms and conditions of appointment / Reappointment	Reappointment of retiring director
Number of board meetings attended during the year	Information furnished in Corporate Governance Report
Directorships held in other companies	Nil
Chairman / Membership in other committees of the Board	Nil

**DIRECTORS' REPORT TO SHARE HOLDERS**

Dear Shareholders,

Your Directors present the Forty Seventh Annual Report and the Company's audited financial statements for year ended 31st March 2022.

1. STATE OF COMPANY'S AFFAIRS, DIVIDEND AND RESERVE**i. Financial performance /appropriations /transfer to reserves:**

The Company's financial performance for the year ended March 31, 2022 is summarized below.

(₹ In Lakhs)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Sales Turnover	7494.61	5131.73
Profit/ (Loss) before Depreciation and taxes	347.79	(54.29)
Depreciation	264.23	244.02
Profit / (Loss) before taxes	83.56	(298.31)
APPROPRIATIONS/ADJUSTMENTS		
Provision for Taxes - Current Tax of prior period	-	16.83
- Deferred Tax	(15.71)	(20.24)
Profit after tax - Transferred to retained earnings	99.27	(294.90)

There is increase in sales turnover from Rs. 5131.73 lakhs to Rs. 7494.61 Lakhs. The Profit for the year after taxes is Rs. 99.27 lakhs against a loss of Rs.294.90 lakhs in the previous year. The entire profit has been transferred to retained earnings.

ii. Operations:

The increase in turnover is due to increase in capacity utilization both in engineering and textile divisions. Except for a lock down for a month on account of COVID, the plants worked in the remaining part of the year. Segment wise performance and other details are provided in the Management Discussions and Analysis Report prepared in compliance with Reg.34(2) of the Listing Regulations. Other income is higher than last year mainly due to profit on assets sold.

The total capital expenditure incurred during the year is Rs.294.52 Lakhs. A major portion is for purchase of Ring Frames with Auto doffers to eliminate manual doffing.

INDUSTRIAL RELATIONS:

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

R&D:

The existing products of the company are under continuous development to improve productivity and reduce cost of production.

BORROWINGS:

The total fund based working capital limits from the Banks have been reduced from Rs.1800 lakhs to Rs.1500 lakhs. The Non fund based limits for L/Cs and Guarantees have also been reduced from 650 lakhs to 600 lakhs. However, part of the fund based limit has flexibility to use it for L/cs and guarantees also. All the three banks have sanctioned Covid Extension Loans and the total loan amount availed during the financial year is Rs.238.70 lakhs . The Company has serviced the interest obligations of all the loans, in time, without any delay.



2. ANNUAL RETURN

The copy of the Annual return is posted on the Company's website www.veejaylakshmi.com.

3. NUMBER OF MEETINGS OF THE BOARD

Four meetings of the Board of Directors were held during the year. Further details in this respect and details of meetings of the committees are provided under the report on Corporate Governance.

4. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors hereby state that

- in preparation of annual accounts for the financial year ended March 31, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the year ended 31st March 2022.
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- the Directors have prepared the annual accounts for the Financial year ending March 31, 2022 on a going concern basis.
- the Directors had laid down internal financial controls to be followed by the Company and that such Internal controls are adequate and are operating effectively.
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable Laws and that such systems are adequate and operating effectively.

5. NOMINATION AND REMUNERATION COMMITTEE AND POLICY

The appointment of Directors and fixation of their remuneration is as per the guidelines laid down in the Nomination and Remuneration Policy of the Company formulated in compliance with section 178 of the Companies Act, 2013 and rules in this respect under the Act. The policy lays down the role of the Nomination and Remuneration Committee, the criteria for appointment of managerial personnel and independent directors and other matters as provided under sub-section (3) of Section 178 of the Act. The Nomination and Remuneration Policy is available on the Company website www.veejaylakshmi.com.

6. DECLARATION BY INDEPENDENT DIRECTORS

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

7. AUDITORS AND AUDITORS' REPORT

Statutory Auditors

M/s. Manohar Chowdhry & Associates, Chartered Accountants, statutory auditors of the Company, hold office till the conclusion of the Annual General Meeting to be held in 2022.

Secretarial Auditor

The Board has appointed Sri K. Muthusamy, Practicing Company Secretary to conduct Secretarial Audit for the Financial Year 2021-22



The Statutory Auditors' Report and the Secretarial Audit report does not contain any qualification, reservation or adverse remark.

8. PARTICULARS OF LOANS/GUARANTEES/ INVESTMENTS/DEPOSITS

The Company has not provided any Inter-Corporate Loans/ Guarantees. Details of other loans/advances and Investments of the Company in the shares of other Companies are provided under note 5 and 8(e) of notes to Balance Sheet appearing elsewhere in this Annual Report. The amount of investment made by the Company does not exceed the limits as specified in Section 186 of the Companies Act, 2013.

The Company has not accepted any deposits from public during the year and there are no deposits from the public as at 31.3.2022.

The Company has unsecured interest free loans from Promoter Directors. This loan has been treated as a compound Financial Instrument and accounted accordingly. Promoters had also provided in last year an additional loan of Rs.300 lakhs to part finance the capital expenditure for the equipments for solar power and modernization and this will be retained in the Company till the term loan is repaid. The total interest bearing long term loan amount from promoters pending as at 31.03.2022 is Rs.360.65 lakhs.

9. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and were on arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material. Your Directors draw attention of the members to note No.31 to the financial statement which sets out Related party disclosures.

10. MATERIAL CHANGES AND COMMITMENTS AFTER 31/03/2022

No significant changes in the working of the Company from 31/03/2022 till the date of this report.

11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

12. RISK MANAGEMENT

The Company follows a comprehensive and integrated risk appraisal, mitigation and management process. The identified elements of Risk and Risk Mitigation measures are periodically reviewed and revised by the Board of Directors. The Company's Risk Management Policy, approved by the Board is posted on the website of the Company. The Listing regulations in this respect (Reg.21(5)) is not applicable to the Company.

13. EVALUATION OF BOARD PERFORMANCE

The Nomination and Remuneration Committee of the Company has formulated the criteria for evaluation of the performance of each director, Board of Directors, Committees of the Board and Independent Directors. Based on this and the guidelines in this regard issued by SEBI the performance evaluation has been undertaken. A separate meeting of independent directors has been convened for this purpose during the year. The proceedings of evaluation has been submitted to the Chairman of the Board of Directors.

**14. ADDITIONAL INFORMATION AS PER RULE 8(5) OF COMPANIES (ACCOUNTS) RULES, 2014**

Sl. No.	Particulars	Related disclosures
i	(i) The financial summary or highlights	The financial highlights including State of Affairs of the Company, Dividend and Reserve have been provided elsewhere in this report
ii	The change in the nature of business	The business of the Company is manufacture of cotton yarn, knitted fabric, Two for One Twisting Machines and Assembly Winders. There was no change in the business of the Company.
iii.	The details of Directors or Key Managerial Personnel who were appointed or have resigned during the year	No Change during the year
iv.	The names of the Companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year	NIL
v.	The details relating to deposits, covered under Chapter V of the Act	The Company has not accepted any amount which falls under the purview of Chapter V of the Act.
vi.	The details of deposits which are not in compliance with the requirements of Chapter V of the Act.	Nil
vii.	The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.	No significant or material orders were passed by the regulators or courts or tribunals which impact the going concern status of the Company.
viii.	The details in respect of adequacy of internal controls with reference to the Financial Statements	The Company has adequate internal financial controls in place with reference to financial statements. During the year such controls were reviewed and ensured that it had no material weakness. The financial statements are prepared in accordance with the Indian Accounting Standards issued by the Ministry of Corporate Affairs
ix.	Maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013	The Company has duly made and maintained the Cost Records.

15. DIRECTORS

Smt. Arthi Anand, Director will retire by rotation at the ensuing Annual General meeting and being eligible she offers herself for re appointment.

16. AUDIT COMMITTEE AND VIGIL MECHANISM

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



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

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

17. PREVENTION OF SEXUAL HARASSMENT AT WORK PLACE

As per the provisions of Sexual Harassment of Women at Workplace (prevention, prohibition and redressal) Act, 2013, the Company has constituted a Complaints Committee within HR department. No complaints were received by the committee during the year 2021-22.

18. LISTING OF EQUITY SHARES

The Company's equity shares continue to be listed at BSE limited and we confirm that listing fee for the financial year 2021-22 has been paid.

19. PARTICULARS RELATING TO REMUNERATION OF DIRECTORS/EMPLOYEES

Disclosure under sub rule (2) of rule (5) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014:

- a. Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year ended March 31, 2022 and the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the Financial Year ended March 31, 2022:

Median remuneration of employees in the financial year 2021-22. : Rs.130656/- pa.

- b. There has been an increase in the median remuneration of the employees over that during the financial year 2020-21 by 23.7%.
- c. Number of permanent employees on the rolls of Company as on 31st March, 2022 : 512
- d. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentile increase in remuneration other than managerial personnel is 27.88% and average percentile increase in remuneration for managerial personnel is 24.03%

- e. Affirmation that the remuneration is as per the remuneration policy of the Company:
Your Directors affirm that the remuneration is as per the Nomination and Remuneration Policy of the Company.
- f. Details of top ten employees in terms of gross remuneration:
Details given in **Annexure 4**.
- g. There are no employees who are paid remuneration in excess of Rs. 102 lakhs per annum or Rs.8.5 lakhs per month.

20. CORPORATE GOVERNANCE

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

**21. PARTICULARS OF CONTRACTS AND ARRANGEMENTS**

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

22. CORPORATE SOCIAL RESPONSIBILITY

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

23. ASSOCIATE COMPANY

The Company holds 26.2% shares in M/s Veejay Sales and Services Limited which falls under the category of Associate Company as per the provisions of the Companies Act. The main income of the company is from generation of power through wind mills and the details are furnished separately in this report under **Annexure-1**.

21. ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Coimbatore
May 05, 2022

(Sd/-) V.J. JAYARAMAN
Chairman

**ANNEXURES TO DIRECTORS' REPORT****ANNEXURE I****FORM AOC 1**

Statement containing salient features of the financial statement of subsidiaries / associate Companies / joint ventures

PART A : SUBSIDIARIES

The Company has no Subsidiary

PART B : ASSOCIATES AND JOINT VENTURES

Statement pursuant to section 129(3) of the companies act, 2013 related to associate companies and Joint Ventures

Name of associates / Joint Ventures	M/s. Veejay Sales and Services Limited
1. Latest audited balance sheet date	31-03-2022
2. Date on which the Associate or Joint Venture was associated or acquired	05-12-2011
3. Shares of associates/Joint Ventures held by the Company on the year end	
No. of Shares	13,100
Amount of investment in associates/ joint ventures	Rs.1,31,000
Extent of holding (in percentage)	26.2%
4. Description of how there is significant influence	Associate
5. Reason why the associate / joint venture is not consolidated	Consolidated
6. Net worth attributable to shareholding as per latest Audited Balance Sheet (Rs.in lakhs)	151.21
7. Profit / Loss for the year (Rs. In Lakhs)	1.36
i. Considered in consolidation	0.36
ii. Not considered in consolidation	1.00

**ANNEXURE II****Form AOC 2**

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

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

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

NIL. All contracts and arrangements with outside parties are in the normal course of business and at arms length basis

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

a.	Name(s) of the related party and nature of relationship	Veejay Sales and Services Limited	Augustan Knitwear P. Limited
b.	Nature of contracts / arrangements / transactions	Purchase of wind power in the ordinary course of business.	Sale of yarn and fabric in the ordinary course of the company's business.
c.	Duration of the contracts/ arrangements/ transactions	Wind power purchase valid up to 31-03-2022.	Valid up to 31-03-2024.
d.	Salient terms of the contracts or arrangements or transactions including the value, if any.	Purchase of wind power at prevailing market prices or less.	Sale of yarn and knitted fabric at market rates.
e.	Date(s) of approval by the Board, if any.	Approved on 29-07-2021 and specific transactions every quarter.	Approved on 29-05-2019 and specific transactions every quarter.
f.	Amount paid as advances, if any:	Nil	Nil



ANNEXURE III

**DISCLOSURE OF PARTICULARS AS REQUIRED UNDER
COMPANIES (ACCOUNTS) RULES 2014-RULE 8(3)**

Sl. No.	Particulars	Related disclosures
Conservation of Energy		
1.	Steps taken or impact on conservation of energy	All the lamps in the work halls and outside are progressively replaced with energy efficient LED lamps. Additionally whatever possible energy conservation measures are implemented.
2.	Steps taken by the company for utilizing alternate sources of energy	The Company has its own wind mills installed for a total capacity of 4050 KW. Roof top solar power equipments have been installed for a capacity of 1MW
3	Capital investment on energy conservation equipments	Nil during the year
Technology Absorption, Adaptation and Innovation		
1.	Efforts made towards technology absorption	In house Research and Development process is a continuing one.
2.	Benefits derived like product improvement, cost reduction, product development or import substitution	Product development and cost reduction.
3	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) a) Details of technology imported b) The year of import c) Whether technology has been fully absorbed d) If not fully absorbed, areas where absorption has not taken place and reasons thereof	No imported technology used
4	The expenditure incurred on Research and Development	Rs.17.37 lakhs

Foreign Exchange earnings and outgo

₹. in lakhs

		2021-22	2020-21
1.	Foreign Exchange earned	2409.57	2822.90
2.	Foreign Exchange Outgo	136.74	76.79

**ANNEXURE IV**

Particulars of Employees as per Rule 5(2) and (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Name (Age in years)	Designation	Remuneration Received (Rs. Lakhs)	Qualification	Experience (years)	Date of commencement of employment	Previous Employment
Sri J. Anand (49 years)	Managing Director	33.13	B.E.,M.S. (USA)	27	12-06-1995	Management Trainee
Sri D. Ranganathan (70 years)	Wholetime Director	9.86	B.Com., MBA.	47	01-03-1975	Phipson and Co. Ltd.
Sri R. Sargunam (68 years)	Vice President (HR)	9.87	B.A., PGDPM, PG Dip. Law	47	03-09-1992	Lakshmi Machine Works Ltd.
Sri M.Govindaraju (76 years)	Vice President (Manufacturing)	9.86	DME	56	01-05-1976	Lakshmi Machine Works Ltd.
Sri K.Kannadasan (69 years)	Vice President (Sales)	8.43	B.Tech.	46	01-02-2007	New Star Tex Engg. Co.
Sri P. Boopathi (53 years)	Vice President (Spinning)	9.09	M.Tech.	33	11-08-2006	GTN Group of Companies
Sri V.K.Swaminathan (73 years)	Company Secretary	6.39	B.Sc., AICWA., FCS.	53	01-05-2015	Veejay Lakshmi Textiles Ltd.
Sri V.Vijayakumar (48 years)	Manager- Design	6.11	DME.	28	03-09-2012	Savio India Ltd.
Sri T.Maheswaran (52 years)	Manager- Service	5.03	DTT	32	01-03-1989	Sieger Spintech Equip. P. Ltd.
Sri S.Thirumurugan (52 years)	Asst.Manager- Electrical	4.74	DEEE	27	02-07-2009	Aswin Textiles

Note:

1. All the above are permanent employees and the remuneration includes Company's contribution to Employees Provident fund, bonus and leave encashment.
2. No employee except Sri J. Anand is holding by self or by their family, shares of 2% or more in the Company or is drawing remuneration in excess of the Managing Director or Wholetime Director.
3. Sri J.Anand is related to Sri V.J. Jayaraman and Smt. Arthi Anand, Directors of the Company.



Form No. MR-3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March 2022**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

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

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

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under and further amendments thereof.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended from time to time:-
 - a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client,
 - c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and

I was informed that, for the financial year ended on 31st March 2022:

- (i) The Company was not required to maintain books, papers, minute books, forms and returns or other records according to the provisions of the following Regulations and Guidelines prescribed under SEBI Act :
 - a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, which is not applicable as there was no delisting during the year; and
 - b) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, which is not applicable to the company as there was no buyback during the year;



- c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / The Securities and Exchange Board of India (Share based Employee Benefits) Regulations 2014;
- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (ii) There are no other laws specifically applicable to the Company, the books, papers, minute books, forms and returns of which were required to be examined by us for the purpose of this report.
- 1. I have also examined compliance with the applicable clauses of the following:
 - i. Secretarial Standards issued by The Institute of Company Secretaries of India.
 - ii. The Listing Agreement entered into by the Company with BSE Limited and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 and further amendments thereof.
- 2. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except that

The audited financial results of the company for the year ended 31.03.2021 was adapted at the board meeting held on 29.07.2021, instead of the extended due date of 30.06.2021 given by SEBI. However, the company has informed the stock exchange that due to covid lock down on travel by auditors from Chennai, it is not able to comply with the said timeline. A fine has been levied by the Stock exchange for non-compliance of Regulation 33 of SEBI (LODR), Regulations, 2015 vide e-mail dated 29.07.2021.

- 3. I further report that:
 - (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There is no change in the composition of the Board of Directors during the period under review.
 - (ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately in advance, and a system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings before majority decision is carried through. We are informed that there were no dissenting members' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.
Board meeting dated 29.07.2021 and Audit committee meeting dated 29.07.2021 has been held within 180 days from the previous meeting, which was within the provisions of Companies Act, 2013. **However, no such extension of time has been granted by SEBI. The company has informed that due to covid 19 pandemic situation the meeting could not be held within the time fixed.**
 - (iii) There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with other applicable laws, rules, regulations and guidelines.

Place : Coimbatore
Date : 04.05.2022

(Sd.) KALIAPPAGOUNDER MUTHUSAMY
Company Secretary in Practice
M No: F 5865; CP: 3176
UDIN: F005865D0002683
Peer review Cert No: 1166/2



To

**The Members,
Veejay Lakshmi Engineering Works Limited,
Sengalipalayam, NGGO Colony Post,
Coimbatore – 641 022.**

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to make a report based on the secretarial records produced for my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for our report.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on a test basis.
5. While forming an opinion on compliance and issuing the secretarial audit report, I have also taken into consideration the compliance related action taken by the Company after 31st March 2022 but before issue of the report.
6. I have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
7. I have considered actions carried out by the Company based on independent legal / professional opinion as being in compliance with law, wherever there was scope for multiple interpretations.
8. My Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Coimbatore
Date : 04.05.2022

(Sd.) KALIAPPAGOUNDER MUTHUSAMY
Company Secretary in Practice
M No: F 5865; CP: 3176
UDIN: F005865D0002683



**SECRETARIAL COMPLIANCE REPORT
OF
VEEJAY LAKSHMI ENGINEERING WORKS LIMITED
FOR THE YEAR ENDED 31st MARCH, 2022**

I have examined:

- (a) all the documents and records made available to us and explanation provided by Veejay Lakshmi Engineering Works Limited ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31.03.2022("Review Period") in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – Not applicable as the company has not issued any kind of securities during the period under scrutiny.
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not applicable as the Company has not bought back any of its securities during the year under review;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not applicable as the company has not issued any kind of securities during the period under scrutiny;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – Not applicable as the company has not issued any debt securities during the year under review.
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 - Not applicable as the company has not issued any Non-Convertible and Redeemable Preference Shares during the year under review;



(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and based on the above examination, I hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below.

Sr. No	Compliance Requirement	Deviations	Observations/Remarks of the Practicing Company Secretary
1	Regulation 33 of SEBI (LODR) 2015	The audited financial results of the company for the year ended 31.03.2021 was approved at the board meeting held on 29.07.2021, instead of the extended due date of 30.06.2021.	The said deviation is noted. It was observed that a fine has been levied by BSE and was paid by the company.
2	Regulation 17(2) of SEBI (LODR) 2015	Time gap between the board meetings held on 11.02.2021 and 29.07.2021 exceeds 120 days.	There was a time gap of 168 days between board meetings held on 11.02.2021 and 29.07.2021, which is beyond the number of days given in Regulation 18(2)(a) of SEBI (LODR) 2015.
3	Regulation 18(2)(a) of SEBI (LODR) 2015	Time gap between the audit committee meetings held on 11.02.2021 and 29.07.2021 exceeds 120 days.	There was a time gap of 168 days between audit committee meetings held on 11.02.2021 and 29.07.2021, which is beyond the number of days given in Regulation 18(2)(a) of SEBI (LODR) 2015.

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records.

(c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

S. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
1	BSE	Regulation 33 of SEBI LODR, 2015	A fine has been levied by the Stock exchange for delayed compliance of Regulation 33 of SEBI (LODR), Regulations, 2015 vide e-mail dated 29.07.2021 and the company has remitted a total fine amount of Rs.2,77,300 on 24.08.2021.	The company has not complied with Regulation 33 of SEBI (LODR), 2015 within the time line. As per the company the delay was caused by inability to finish audit in time due to Covid lockdown hurdles on travel by Auditors.



- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

S. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31.03.2021	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1	The listed entity has not complied with the time line stipulated under Regulation 23(9) of SEBI (LODR) Regulations, 2015.	The listed entity has not complied with the time line stipulated under Regulation 23(9) of SEBI (LODR) Regulations, 2015.	The listed entity has made a delayed submission of same to the stock exchange on 19.01.2021.	As per request of the company the stock exchange has waived the fine levied.

- (e) The reporting of Clause 6(A) and 6(B) of the circular No. CIR/CFD/CMD1/114/2019 dated October 18, 2019 issued by the Securities and Exchange Board of India on "Appointment/ Reappointment/Resignation of Statutory auditors from listed entities and their material subsidiaries" is not applicable during the review period.

Place : Coimbatore

Date : 04.05.2022

(Sd.) KALIAPPAGOUNDER MUTHUSAMY

Company Secretary in Practice

M No: F 5865; CP: 3176

UDIN: F005865D000268391

Peer review Cert No: 1166/2021



MANAGEMENT DISCUSSION AND ANALYSIS

As required under Reg.34(2)(e) read with Schedule V-B(1) of SEBI (LODR) Regulations, 2015, a detailed report on the Management Discussion and Analysis is given below.

Industry Structure and Developments

The Company started its operations in the year 1975 to produce yarn Twisting Machines. The Company diversified into textile spinning in the year 1993. Both the twisting machines produced and the yarn and fabrics produced in the textile units are used in the textile industry.

As one of the major employment providing industries, textile industry has been growing over the years catering to domestic and export markets. The performance of the industry is impacted by vagaries in the prices of inputs and end products, tariff and other regulations in export and domestic market.

Opportunities and Threats

The prospects of the textile division producing yarn and engineering division producing machines used in textile spinning mills depend upon the performance of the textile industry. Although textile products are exported from fiber to garments, the market share of our country in the world market is still low and there is scope for increasing our country's market share in world market. Increase in demand/production of garment/apparels and other technical textiles will increase the demand for the yarn and also the machinery used in textile industry. The textile industry was affected by closure/lock down due to Covid crisis and has come back to normal working levels and there are signs of increasing demand for the textile products both in the domestic and export market.

Two for one Twister has been the main product of the engineering division contributing to the sales and profits. Assembly winders are sold in small volumes. Two for One Twister is used in post spinning process for value addition and the demand for this product is derived from the demand for twisted yarn in the textile industry. Any reduction in demand for local consumption or export of twisted yarn affects the demand for this machine. The market is segmented and a considerable portion of the demand of twisting machines from independent job workers of twisted yarn is catered by manufacturers from western India who offer very low prices. The demand from spinning units which produce good quality twisted yarn is met by the Company and other foreign manufacturers who offer machines made by them in India and China. While there may not be any threat from new entrants, existing manufacturers will continue to give stiff competition.

There has been an increase in the sales and inflow of orders for the twisting machine and the Company is taking all steps to fulfill the increase in demand, although the increase in cost of inputs has a strain on margins. The Company is taking steps for cost reduction and making continuous improvement in the design of the twisting machines with focus on reduction in power consumption and operating costs.

The Textile unit has facilities for production of high quality coarse count cotton yarn and has also facilities for twisting and knitting to sell the products with value addition. The Company also has wind mills and rooftop Solar equipments used for captive consumption of power, which reduces the cost of power consumed. However, the profitability of this division depends upon utilization of the installed capacity at optimum level. The Company in the last few years has been having low capacity utilization



due to recessionary conditions and un remunerative prices of cotton/yarn. Compared to the previous year, there has been increase in capacity utilization in the current year. However, the abnormal increase in cotton price had its impact in both the utilization of the capacity and profits in the last quarter of the financial year. The withdrawal of the import duty on cotton is expected to ease the situation but this will depend upon availability of cotton with reduction in price from the present levels.

Segmentwise Performance

The Company has two reporting segments: 1) Textile Machinery Division producing Two for One Twisters (twisters) and Assembly Winders (winders), 2) Textile Division producing yarn and fabric. The Closure of factories due to the lockdown enforced by the Government to manage the Covid Crisis has affected the capacity utilization/performance of both engineering and textile divisions. Segment wise sales and profits are as given below:

(In Lakhs)

	31.03.2022		31.03.2021	
	Engineering	Textile	Engineering	Textile
Revenue	1912.66	5581.95	1085.70	4046.03
Segment Profit	-169.19	471.88	-238.17	122.96

Engineering Division

There is increase in the inflow of orders for twisting machines and the Company has taken steps to improve the production and fulfil the demand. The Company took a decision of outsourcing all the components except for some critical components to be processed in house. Although vendors have been developed for a major portion of the items there are still constraints for few components and this has restricted the production/sales. The Company is taking necessary action to get over the constraints and the production is expected to increase to 10 to 12 machines per month in the current financial year. The Company could improve sales to 57 nos. of twisting machines during 2021-22 from 42 nos in the year 2020-21.

Textile Division

The capacity utilization was higher in 2021-22 compared to previous year and the margins realized also were higher till increase of cotton prices by third/fourth quarter of 2021-22. The replacement of ring frames by new machines with auto doffers has helped the Company to increase productivity. Once the cotton price/availability return to normal levels, the Company will take all steps to improve the productivity and capacity utilization to optimum level

Outlook

The textile industry caters to the basic needs and provides large employment. It also contributes for inflow of foreign exchange by exports. Hence the Govt. is expected to provide all support for the growth of the industry. India also has the technology to produce high quality textile products for the world market. But this will depend upon the tariff restrictions and preferential treatment by importing countries. The economy world wide is slowly recovering from the COVID crisis and hence it may increase the



demand. But there has been spurt in the price of raw materials and other inputs, particularly those used in engineering division and this will have strain on margins. The demand for the textile product is increasing in the domestic and export markets and the industry is back to its normal working levels.

Risks and Concerns

Vagaries in the prices of cotton and yarn which affects profitability.

Tariff regulations and preferential treatments by importing countries affecting the demand for the products in export market.

Competition from other manufacturers of 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 authorized, recorded and reported correctly. A Chartered Accountant carries out the audit at regular intervals to monitor the effectiveness of the internal checks and controls in different areas and reports/suggests improvement measures for review by the management.

Financial Performance with Respect to Operational Performance

The margins have improved during the year and the Company has been able to cover both interest and depreciation.

Key Financial Ratios for Operations During the Year

Debtors Turnover*	: 9.64
Inventory Turnover	: 2.73
Interest coverage Ratio*	: 1.43
Current Ratio	: 1.72
Debt Equity Ratio*	: 0.68
Operating profit Margin(%)*	: 3.67
Net Profit Margin(%)*	: 1.31
Return on Networth	: 2.37

Significant Changes

The variation in ratios marked* over that of previous year has been due to increase in net profit, lower credit sales and reduction in borrowings.

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 undergo training programs conducted in house and also outside by other professional bodies. The industrial relationship was cordial throughout the year. The Company has a total of 512 employees at the end of the year.

**Cautionary Statement**

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



CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company's philosophy on Corporate Governance stresses the importance of transparency, accountability and protection of shareholder interests without compromising ethical standards and corporate social responsibilities. Best corporate governance practices are identified, adopted and consistently followed.

BOARD OF DIRECTORS:

The Board of Directors of the Company has an optimum combination of executive and non-executive directors and is in conformity with Reg. 17(1) of Listing Regulations. The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the financial year 2021-22 and at the last Annual General Meeting (AGM), as also the number of directorships and committee positions held by them in other public limited companies as on March 31, 2022 are as under:

Name of the Director	Category	No. of Board Meetings		Attendance at the last AGM held on 23.09.2021	No. of Directorships in other companies*	Committee position	
		Held	Attended			Member	Chairman
Sri.V.J.Jayaraman	Non-Executive (Promoter)	4	4	YES	1	–	1
Sri.J.Anand	Executive (Promoter)	4	4	YES	5	1	-
Smt Arthi Anand	Non Executive Non-independent	4	4	YES	Nil	1	–
Sri.N. Athimoolam Naidu	Non-Executive Independent	4	3	YES	2	1	–
Sri.B.Sriram	Non-Executive Independent	4	4	YES	2	3	–
Sri.N.M. Ananthapadmanabhan	Non-Executive Independent	4	4	YES	Nil	–	3
Sri.D.Ranganathan	Executive Non- Independent	4	4	YES	1	3	–
Sri K. Narendra	Non-Executive Independent	4	4	YES	1	1	–

* Includes private limited companies

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees (as per Reg.26(1) of the Listing Regulations) across all the companies in which he is a Director. All the Directors have made the requisite disclosures regarding Committee positions held by them in other public limited companies. None of the directors is a director in any other listed company.

The Board met four times during the financial year 2021-22 viz., on 29.07.2021, 12.08.2021, 10.11.2021 and 10.02.2022. The gap between any two consecutive Board Meetings did not exceed 120 days.



In terms of Sch.V(C)(2)(e) of the Listing Regulations, it is hereby disclosed that Sri V.J. Jayaraman, Chairman, Sri J Anand, Managing Director and Smt Arthi Anand, Director are related inter-se.

Number of shares held by non-executive Directors as at 31-03-2022:

Sri V.J. Jayaraman (All status) : Number of Equity shares : 1235753
Sri N. Athimoolam Naidu : Number of Equity shares : 67840

FAMILIARISATION PROGRAMME IMPARTED TO DIRECTORS

The key managerial personnel of the Company periodically interact with the independent Directors to make them familiar with their roles, rights and responsibilities, about the nature of the industry in which the Company operates and business model of the Company. All the non-executive directors have rich administrative experience and are technically familiar with textiles and textile machinery industry. The details of the program is in the website of the Company www.veejaylakshmi.com

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

The Company has a Code of Conduct for the Directors and senior management personnel, which is in compliance with the requirements of Reg.17(5) of the Listing Regulations. The Code of conduct has also been displayed on the Company's website. The independent directors have given declarations at the first meeting of the Board every year that they meet the criteria of independence as provided in the Act.

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

SKILLS / EXPERTISE / COMPETENCE OF THE BOARD OF DIRECTORS

It has been assessed that the following core skills, expertise and competencies are required in the context of businesses of the Company for it to function effectively.

Identified	Actually Available
Leadership: Leadership/Directorship experience resulting in effective participation in or spearheading various initiatives taken by the Company	Yes
Educational qualification: Bachelor degree or other Qualification relevant to the business of the Company.	Yes
Knowledge and expertise: Knowledge and experience in administration / finance / technology or in any area of importance relevant to the business of the Company	Yes
Integrity and confidentiality	Yes
Active participation in Board and Committee meetings	Yes
Independence of behavior, judgment and commitment	Yes

Board Qualifications					
Name of Director	Leadership	Educational Qualification	Knowledge & expertise	Integrity & confidentiality	Active participation in meetings
Sri V.J. Jayaraman	Yes	Yes	Yes	Yes	Yes
Sri J. Anand	Yes	Yes	Yes	Yes	Yes
Sri N.M. Anantha Padmanabhan	Yes	Yes	Yes	Yes	Yes
Sri N. Athimoolam Naidu	Yes	Yes	Yes	Yes	Yes
Sri B. Sriram	Yes	Yes	Yes	Yes	Yes
Sri D. Ranganathan	Yes	Yes	Yes	Yes	Yes
Smt Arthi Anand	Yes	Yes	Yes	Yes	Yes
Sri K. Narendra	Yes	Yes	Yes	Yes	Yes

**SEPARATE MEETING OF INDEPENDENT DIRECTORS**

The Company's Independent Directors met on March 12, 2022 without the presence of other Directors.

CONFIRMATION ON THE FULFILLMENT OF THE CONDITIONS OF INDEPENDENCE:

Based on the declarations received from the Independent Directors, the Board of Directors are of the opinion that the Independent Directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 and are independent of the management.

RESIGNATION OF INDEPENDENT DIRECTOR(S) BEFORE EXPIRY OF TENURE: Nil**COMMITTEES OF THE BOARD:****Audit committee:**

The Audit committee has been formed pursuant to Reg.18 of the Listing Regulations and Section 177 of the Companies Act, 2013.

Composition:

The Audit Committee of the Board that was formed in January 2001 has been reconstituted in 2015. The Members of the Committee comprises of the following Directors:

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

Terms of Reference:

- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Review and monitor the auditor's independence, audit process, and effectiveness of audit process.
- Examination of quarterly, half yearly and annual financial statements, company's financial reporting process and disclosures of financial information and Auditors' Report thereon.
- Scrutiny and approval of transactions and any subsequent modification of transactions of the company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Monitoring the end use of funds raised through public offers and related matters.
- Review of the internal control systems, scope of internal audit and the vigil mechanism in place.
- Monitoring forex transactions and hedging thereof.

MEETINGS OF THE AUDIT COMMITTEE

The Audit Committee met four times during the financial year 2021-22 on 29.07.2021, 12.08.2021, 10.11.2021 and 10.02.2022

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



The Statutory Auditors and the Internal Auditors are invited to attend the Meeting of the Committee. The Company Secretary of the Company acts as the Secretary of the Committee.

The Chairman of the Audit Committee participated at the last Annual General Meeting (AGM) held on 23.09.2021 through Video Conferencing.

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

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

NOMINATION AND REMUNERATION COMMITTEE

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

- Sri. N.M. Ananthapadmanabhan, (Independent Director) Chairman
- Sri. B. Sriram, Member (Independent Director)
- Sri. N. Athimoolam Naidu, Member (Independent Director)

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

The Committee met on 12-03-2022 during the year 2021-22 with the presence of majority of the members.

EVALUATION OF THE BOARD'S PERFORMANCE, THAT OF THE COMMITTEES AND INDIVIDUAL INDEPENDENT DIRECTORS

The evaluation of the performance of the Independent Directors is based on their qualification, experience, knowledge and competency, ability to fulfill allotted functions / roles, ability to function as a team, pro-activeness, participation and attendance, commitment, contribution, integrity, independence from the company and ability to articulate independent views and judgment. Accordingly, the performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated.

The performance of the Board as a whole was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Nomination and Remuneration Committee ("NRC") has evaluated the performance of the individual directors on the basis of the criteria approved by the Board.

**REMUNERATION OF DIRECTORS FOR THE YEAR 2021-22****Criteria for making payment to Non Executive Directors:**

The Company pays a sum of Rs.5000/- per meeting as fee to non-executive and independent Directors for attending the meetings of the Board of Directors, Independent Directors and that of the Committees of the Board. No other remuneration is paid to them. The sitting fees paid during 2021-22 is given below:

Name of the Non-executive Director	Sitting fees Paid in Rs.	Commission	No of Shares held
Sri. V.J. Jayaraman	20,000	NIL	1235753
Sri. N.M. Ananthapadmanabhan	55,000	NIL	NIL
Sri. B.Sriram	55,000	NIL	NIL
Sri. Athimoolam Naidu	15,000	NIL	67,840
Smt. Arthi Anand	20,000	NIL	Nil
Sri. K. Narendra	45,000	Nil	Nil

• Executive Directors

Name	Designation	Salary & Perquisites per annum in Rs.	Ratio to median remuneration
Sri. J.Anand	Managing Director	3313559	1 : 25.36
Sri. D. Ranganathan	Whole-time Director	986349	1: 7.55

The Directors' remuneration does not have variable component such as commission. It includes salary and Company's contribution to Provident Fund.

The average increase in remuneration and that of key managerial Personnel are not comparable as there has been no increase in the remuneration of key managerial personnel.

No other employees receive remuneration higher than that received by a Director. Total number of permanent employees : 512. The median annual remuneration paid in the financial year is Rs.130656/-.

The remuneration to each of Key Managerial Personnel is reasonable vis-a-vis the respective responsibilities and performance of the Company. No non director employee receives remuneration in excess of any whole-time director.

Ratio of remuneration of Directors / Key Managerial Personnel to the median remuneration of the employees:

K M P	Managing Director	Chief Financial Officer	Company Secretary
Increase in Remuneration	Nil	Nil	Nil
Ratio to median remuneration	1 : 25.36	1: 7.55	1 : 4.84

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

Stakeholder Relationship Committee

The shareholder and investor grievances committee consists of the following three members:

- Sri. N.M. Ananthapadmanabhan, Chairman
- Sri. B. Sriram, Member
- Sri. D. Ranganathan, Member

The Company Secretary acts as the Secretary to the Committee and has been nominated as the Compliance Officer of the Company.

The Committee meets as and when required, to inter alia deal with matter relating to its term of reference. A meeting of the committee was held on 12-03-2022 during the year.

Terms of Reference:

- Redressal of shareholders and investors complaints including, but not limiting to, transfer of shares and issue of duplicate share certificates, non-receipt of annual report, non-receipt of declared dividends, etc.;
- Monitoring transfers, transmissions, dematerialisation, rematerialisation, splitting and consolidation of shares issued by the Company; and such other acts, deeds, matters and things as may be stipulated in terms of the SEBI Listing Regulations and any other regulatory provisions and any other matter as the Board of Directors may consider fit for effective redressal of shareholders and / or investors' grievances.

Based on the report received from M/s.SKDC Consultants Limited, the Registrar & Share Transfer Agent, as on March 31, 2022 there were no pending requests/complaints from any shareholder. The number of complaints received and solved during the financial year 2021-22 are as given below:

Received	Solved	Pending as at 31.3.2022
Nil	Nil	Nil

All recommendations of Committees of the Board which are mandatorily required have been accepted.

General Body Meetings:

The date, time and venue of the last three Annual General Meetings are given below:

Financial Year	Date and mode	Time	Location	Special Resolutions passed
2020-21	23-09-2021 Video Conference	10:00 AM	Regd. Office Sengalipalayam NGGO Colony Post Coimbatore - 641022	Nil
2019-20	28-09-2020 Video Conference	10.00 AM	Regd. office, Sengalipalayam NGGO Colony PO., Coimbatore 641 022	Special resolutions were passed for 1. Approval for reappointment of Sri Krishnamoorthi Narendra as independent Director. for further consecutive term of 5 years from 25 th December 2020 to 24 th December 2025.



2018-19	25-09-2019	10.00 AM	Ardra Hall, No.9, North Huzur Road, Coimbatore 641 018	<p>Special resolutions were passed for</p> <ol style="list-style-type: none"> 1. Approval for reappointment of Sri N.M. Ananthapadmanabhan as independent Director for further consecutive term of 5 years. 2. Approval for reappointment of Sri N. Athimoolam Naidu as independent Director for further consecutive term of 5 years. 3. Approval for reappointment of Sri B Sriram as independent Director for further consecutive term of 5 years.
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Means of communication

The Quarterly results as well as audited annual results as required under Reg.33 of the listing regulations are published in one daily English Newspaper "The Financial Express" and one regional Tamil newspaper "Malai Murasu". The Annual Reports, Quarterly reports and Annual Returns are made available in the "investors" section of the company's website www.veejaylakshmi.com which is user friendly and are easily downloadable. There were no news releases or media presentation during the year.

GENERAL SHAREHOLDER INFORMATION:

• Annual General Meeting

AGM Date	September 28, 2022 Wednesday
Time	10.30 AM
Venue	Ardra Hall, Huzur Road Coimbatore - 641 018

Book closure: From September 22, 2022 to September 28, 2022 (both days inclusive)

• Financial calendar for 2021-22

Financial Year : 1st April, 2021 to 31st March, 2022

Board meeting dates for approval of quarterly financial results:

1st Qtr. ended on June 30, 2021 : within 45 days from the close of quarter
 2nd Qtr. ended on September 30, 2021 : within 45 days from the close of quarter
 3rd Qtr. ended on December 31, 2021 : within 45 days from the close of quarter
 4th Qtr. ended on March 31, 2022 : within 60 days from the close of quarter
 Dividend Payment Date : N A
 Listing On Stock Exchanges : BSE Limited



The Equity shares of the company are listed in BSE Ltd. (Bombay Stock Exchange). The Company has paid the listing fees to the stock exchange for the Financial Year 2021- 22.

- **Stock Code:**

B S E Limited : 522267 ISIN with NSDL and CDSL: Equity Shares: INE466D01019

- **Stock Market Price Data**

Market price data (High/Low) during each month in the financial year 2021-2022 on BSE Limited are as under:

Month	High (Rs)	Low (Rs)
April – 2021	31.50	25.50
May – 2021	49.80	28.15
June – 2021	55.00	36.30
July – 2021	48.00	38.50
August – 2021	54.90	37.40
September – 2021	46.70	39.10
October – 2021	44.10	38.00
November – 2021	53.35	43.50
December – 2021	55.00	46.00
January – 2022	69.70	56.00
February – 2022	80.00	57.65
March - 2022	66.60	55.35

- **Performance of company share price in comparison with BSE sensex:**

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

- **Variations in the Market capitalisation of the company, Price earnings ratio as at the closing date of the current financial year and previous financial year:**

Particulars	March 31, 2022	March 31, 2021
Market Capitalisation of the Company (Rs. Lakhs)	3221	1324
Issued capital (in Nos)	5071900	5071900
Closing price at B S E Ltd. (Rs.)	63.50	26.10
Earning per share (Rs.)	1.96	(5.81)
Price Earning Ratio as at closing date	–	–

Note: Percentage increase over decrease in the market quotations of the shares in comparison to the rate at which the company came out with the last public offer: Not comparable in view of the last public offer having been made long back in 1998.

- **Registrar and Share Transfer Agents:**

S K D C Consultants Limited

“Surya”, 35, Mayflower Avenue

Behind Senthil Nagar

Sowripalayam Road, Coimbatore – 641 028

Telephone: + 91 0422-4958995, 2539835 /836,

Email: info@skdc-consultants.com | Web: www.skdc-consultants.com



- Share Transfer system:**

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

- Distribution of Shareholding as on 31st March 2022**

Shareholding of Nominal value of Rs.10 each	No. of Shareholders	% of shareholders	Shareholding in Rs.	% of Shareholding
UPTO to 5,000	4006	92.646	4566820	9.00
5,001 to 10,000	143	3.307	1161570	2.29
10,001 to 20,000	67	1.550	989240	1.95
20,001 to 30,000	39	0.902	958160	1.89
30,001 to 40,000	20	0.463	713060	1.41
40,001 to 50,000	8	0.185	379710	0.75
50,001 to 1,00,000	16	0.370	1125550	2.22
1,00,001 and above	25	0.578	40824890	80.49
Grand Total	4324	100.00	50719000	100.00

- Categories of shareholders as on 31st March 2022**

Category	No. of Shares Held	% of Shareholding
Promoter Holding		
• Promoter Holding	33,08,735	65.237
Public share Holding		
• Mutual Funds and UTI	Nil	Nil
• Banks, Fin. Institutions, Insurance Companies	500	0.010
• Govt./Govt. companies	200	0.001
Others		
• Directors & Relatives	72,760	1.434
• Private Corporate Bodies	48,548	0.957
• Indian Public	15,40,353	30.334
• NRI/OBC's	4,494	0.089
• I E P F Authority	96,310	1.899

- Dematerialization of shares**

Mode	No. of Shares	%
Demat	49,25,646	97.116
Physical	1,46,254	2.884
TOTAL	50,71,900	100.00



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

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

Foreign exchange hedging and commodity prices:

The Company does not involve in hedging activities in foreign exchange or commodity markets. Wherever considered appropriate simple forward contract is entered for foreign exchange involved in imports and exports

- **Plant Locations**

The Company's plants are located as under:

- Unit A : Sengalipalayam, NGGO Colony Post, Coimbatore - 641 022
- Unit B : Athipalayam Road, Vellamadaai (p.o), Coimbatore - 641 110
- Textiles Division : Thekkampatti, Mettupalayam Taluk, Coimbatore - 641 113

Wind Mills:

- Kethanur, Palladam, Tirupur - 638 671
- Sinjuwadi, Pollachi, Coimbatore - 642 007
- Irukkanthurai, Radhapuram, Tirunelveli - 627 001

- **Credit Ratings:**

The credit rating for the company's borrowings by CRISIL upto 31.03-2021 is as follows:

Year	Long Term	Short term
2019-20	BB+/Stable	A4+
2020-21	BB-/Stable	A4
2021-22	SME-4/ Above average	SME-4/ Above average

OTHER DISCLOSURES

a) Related Party Transactions

The company did not have any materially significant related party transactions having potential conflict with the interest of the company at large. The details of the related party transactions as per Accounting Standard-18 forms a part of Notes on accounts of the Financial Statements. All the related party transactions were in the normal course of business of the company. The policy on Related Party transactions and the half yearly reports thereof as submitted to the stock exchange are disclosed in the website of the Company, www.veejaylakshmi.com

b) Compliance by the Company

The Company has complied with the requirements of the Listing Regulations as well as any other SEBI regulations and guidelines applicable.

There has been observation by the Secretarial Auditor in his report on the non-compliance of time line stipulated by SEBI for filing of audited financial results. A fine was imposed by the stock exchange for late filing of audited financial results, which was caused by covid lockdown on auditors' travel and company's request for relaxation of time line was not granted. No other penalty or strictures were passed by SEBI or any other statutory authority on any matter related to capital markets, during last three years.

The Company has complied with all other mandatory requirements laid down under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**c) Vigil Mechanism and Whistle-Blower Policy**

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

The Whistle Blower Policy has been posted on the website of the Company www.veejaylakshmi.com. Your Company hereby affirms that no complaints were received during the year under review.

d) Policy for determining 'material' subsidiaries

The Company has no subsidiaries as at 31.3.2022.

e) Commodity price risks and Commodity hedging activities during the financial year ended 31 March, 2022

The Company did not engage in commodity hedging activities.

f) Disclosure of Accounting Treatment In the preparation of the financial statements

The Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

g) Utilisation of funds raised

The Company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

h) A certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Security Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority has been annexed to this report.**i) Acceptance of recommendation by committees**

During the year under review, the recommendations made by the different Committees have been accepted and there were no instances where the Board of Directors had not accepted any recommendation of the Committees.

j) Payment to Statutory Auditors

The Company has paid a sum of Rs.2.90 Lakhs as fees on consolidated basis to the Statutory auditor for the services rendered by them.

k) Sexual harassment of women

As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted an Internal Complaints Committee. No complaint was received by the committee during the year 2021-22. As such, there are no complaints pending as at the end of the financial year.

l) Risk Management

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board. The risk management policy of the Company is disclosed in the website of the company, www.veejaylakshmi.com



m) Non-compliance of Corporate Governance

There has been no instance of non-compliance of any requirement of Corporate Governance. The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the Listing Regulations.

n) Certificate from CEO/CFO

The CEO/CFO certification of the financial statements for the year has been submitted to the Board of Directors, at its meeting held on 05-05-2022 as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations.

• Address for correspondence

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

Registrars and Share Transfer Agent S K D C Consultants Limited “Surya”, 35, Mayflower Avenue Sowripalayam Road Coimbatore – 641 028 Phone : + 91 0422-4958995, 2539835, Email : info@skdc-consultants.com Web : www.skdc-consultants.com	The Company Secretary, Veejay Lakshmi Engineering Works Limited Sengalipalayam, NGGO Colony post, Coimbatore- 641 022 Phone : +91-422- 7373045125 Email : accounts@veejaylakshmi.com compsec@veejaylakshmi.com
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**DECLARATION PURSUANT TO REG. 34(3) AND CLAUSE D
OF SCHEDULE V OF SEBI (LODR) REGULATIONS, 2015**

Pursuant to Reg.34(3) and Part D of Schedule V of SEBI (LODR) Regulations, 2015, I hereby declare that for the financial year ended March 31, 2022, the Board of Directors and Senior management Personnel of the Company have affirmed compliance with the code of conduct stipulated by the Company. It is also confirmed that the Code of Conduct has been posted on the website of the Company.

Coimbatore
05-05-2022

(Sd.) J. Anand
Managing Director

**CERTIFICATION BY CEO / CFO PURSUANT TO REG.17(8) AND PART B OF
SCHEDULE II OF SEBI (LODR) REGULATIONS, 2015**

To

The Board of Directors
Veejay Lakshmi Engineering Works Limited
Coimbatore - 641022

**ANNUAL CERTIFICATION BY CEO / CFO PURSUANT TO REG.17(8) AND PART B OF
SCHEDULE II OF SEBI (LODR) REGULATIONS, 2015**

As required under Reg. 17(8) and Part B of Schedule II of SEBI (LODR) Regulations, 2015

We hereby certify that:

We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2022 and that to the best of our knowledge and belief

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

Coimbatore
05.05.2022

(Sd/-) D. Ranganathan
Wholetime Director(CFO)

(Sd/-) J. Anand
Managing Director(CEO)

INDEPENDENT AUDITOR'S REPORT
To the Members of Veejay Lakshmi Engineering Works Limited
REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the standalone financial statements of Veejay Lakshmi Engineering Works Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
1. Litigations - Contingencies The Company has ongoing litigations with various authorities and third parties which could have a significant impact on the results, if the potential exposures were to materialize. The amounts involved are significant, and the application of accounting standards to determine the amount, if any, to be provided as a liability or disclosed as a contingent liability, is inherently subjective. Claims against the Company not acknowledged as debts are disclosed in the Financial Statements by the Company after a careful evaluation of the facts and legal aspects of the matter involved. The outcome of such litigation is uncertain and the position taken by management involves significant judgment and estimation to determine the likelihood and/or timing of cash outflows and the interpretation of preliminary and pending court rulings. Refer Note. 27 to the Standalone Financial Statements.	Principal Audit Procedures Performed: Our audit approach was a combination of test of controls and substantive procedures including: <ul style="list-style-type: none"> Assessing the appropriateness of the design and implementation of the Company's controls over the assessment of litigations and completeness of disclosures. We tested the design and operating effectiveness of the Company's key controls over the identification, estimation, monitoring, and accounting/ disclosure of Provisions for disputed matters and contingent liabilities. For Significant cases, where the Company has recognized provision, we assessed the determination of amounts recognized. For cases where provision was not recognized by the Company, we assessed the disclosure made in the financial statements.

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in clauses 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.



- e. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. With respect to the matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act read with Schedule V to the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 27 to the standalone financial statements;
 - ii. The Company didn't have any long-term contracts including derivative contracts as such the question of commenting on any material foreseeable losses thereon does not arise;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

For **MANOHAR CHOWDHRY & ASSOCIATES**

Chartered Accountants

Firm Registration No.: 001997S

(Sd/-) M.S.N.M. Santosh

Partner

Membership No. 221916

UDIN: 22221916AJCBKQ6153

Place : Coimbatore
Date : May 05, 2022



ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

With reference to the Annexure A referred to in paragraph 1 in 'Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended March 31, 2022, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and the situation of Property, Plant and Equipment.
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification to cover all the items of property, Plant and Equipment in a phased manner of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The title deeds of all immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) According to the information and explanations provided to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022. Accordingly, the requirement to report on clause 3(i)(d) of the Order is not applicable to the Company.
- (e) According to the information and explanations provided to us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder. Accordingly, the requirement to report on clause 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and the procedure of such verification by the management is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification.
- (b) As disclosed in note 14(a) to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.
- (iii) (a) During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) During the year, the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
- (d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.



- (e) There were no loans or advances in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- (v) According to the information and explanations provided to us, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the cost records maintained by the Company as specified by the Central Government under Section 148(1) of the Act and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and based on the examination of the records of the Company,
- undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in the remittance of following:
 - i. Income-tax (tax deducted at source u/s. 194Q) due for the period starting from August 2021 to February 2022 aggregating to an amount of INR 3.40 lakhs;
 - ii. Goods and service tax for the month of April 2021 amounting to INR 4.20 lakhs;
 - iii. Professional tax for the month of September 2021 amounting to INR 1.81 lakhs.
 - no undisputed amounts payable in respect of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) As per the information and explanations given to us, and on the basis of examination of the records of the company, the details of the disputed amounts as at March 31, 2022 are here below:

Nature of the statute	Nature of dues	Period to which the Amount relates	Amount in lakhs	Forum where Dispute is Pending
Central Sales Tax Act, 1956	CST	AY 2014-15	9.17	High Court

- (viii) According to the information and explanations provided to us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) According to the information and explanations provided to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations provided to us, the Company has not been declared wilful defaulter by any bank or financial institution or any other lender.
- (c) According to the information and explanations provided to us and based on our examination of



the records of the Company, term loans were applied for the purpose for which the loans were obtained.

- (d) According to the information and explanations provided to us and based on an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associates.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments). Accordingly, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares / fully or partially or optionally convertible debentures during the year under audit. Accordingly, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company and no fraud on the Company has been noticed or reported during the year.
- (b) No report under section 143(12) of the Act has been filed in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and upto the date of this report.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and therefore, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) According to the information and explanations provided to us and based on our examination of the records of the Company, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) In our opinion and according to the information and explanations provided to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a), (b) and (c) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group. Accordingly, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current financial year. However, in the immediately preceding financial year, the Company had incurred cash losses amounting to Rs. 54.29 Lakhs.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in Note 33 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors



and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) The provisions of section 135 are not applicable to the Company and accordingly the requirements to report under clause 3(xx)(a) & (b) of the Order insofar as it relates to section 135 of the Act is not applicable to the Company.

For **MANOHAR CHOWDHRY & ASSOCIATES**

Chartered Accountants

Firm Registration No.: 001997S

(Sd/-) M.S.N.M. Santosh

Partner

Membership No. 221916

UDIN: 22221916AJCBKQ6153

Place : Coimbatore
Date : May 05, 2022



ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in the Independent Auditor's Report of even date to the members of Veejay Lakshmi Engineering Works Limited on the Standalone Financial Statements for the year ended March 31, 2022

We have audited the internal financial controls over financial reporting of Veejay Lakshmi Engineering Works Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3)



provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India."

For **MANOHAR CHOWDHRY & ASSOCIATES**

Chartered Accountants

Firm Registration No.: 001997S

(Sd/-) **M.S.N.M. Santosh**

Partner

Membership No. 221916

UDIN: 22221916AJCBKQ6153

Place : Coimbatore

Date : May 05, 2022

**BALANCE SHEET AS AT 31ST MARCH, 2022**

Particulars	Note No.	As at 31/03/2022	As at 31/03/2021
ASSETS			
I. Non-current Assets			
a) Property Plant and Equipment	2	4,038.31	4,003.89
b) Capital Work in Process	2a	—	3.16
c) Investment Property	3	77.86	88.58
d) Intangible Assets	4	—	—
e) Financial Assets			
(i) Investments	5(a)	162.09	115.34
(ii) Loans and Advances	5(b)	46.34	135.88
f) Deferred Tax Asset Net	6	—	—
g) Other Non Current Assets	7	29.17	176.74
Total		4,353.77	4,523.59
II. Current Assets			
a) Inventories	8 (a)	2,065.19	1,967.75
b) Financial Assets			
(i) Investments		—	—
(ii) Trade Receivables	8(b)	81.19	411.01
(iii) Cash and Cash equivalents	8(c)	40.32	15.37
(iv) Bank balances other than (iii) above	8(d)	38.47	36.46
(v) Loans and Advances	8(e)	1.05	5.14
c) Other current assets	9	461.88	277.53
d) Current Tax Assets (Net)		4.69	13.28
Total		2,692.79	2,726.54
TOTAL ASSETS		7,046.56	7,250.13
EQUITY AND LIABILITIES			
I. Equity			
a) Equity Share Capital	10	507.19	507.19
b) Other Equity	11	3,677.94	3,541.03
Total Equity		4,185.13	4,048.22
II. Non Current Liabilities			
a) Financial Liabilities			
Borrowings	12	1,235.35	964.26
b) Gratuity/Leave Salary Provisions	13	62.94	63.77
Sub total		1,298.29	1,028.03
III. Current Liabilities			
a) Financial Liabilities			
(i) Short term Borrowings	14 (a)	518.56	1,196.24
(ii) Trade Payables			
a) Dues to Micro and Small Enterprises	14(b)	322.42	—
b) Dues to Creditors other than Micro and Small Enterprises		57.43	344.14
(iii) Other Financial Liabilities	14(c)	256.13	127.71
b) Other Current Liabilities	15	368.23	474.46
c) Provisions	16	40.37	31.33
Sub total		1,563.14	2,173.88
TOTAL LIABILITIES		7,046.56	7,250.13

Significant Accounting Policies

Notes to the Financial Statements

The accompanying Notes form an integral part of the Standalone Financial Statements

For and on behalf of the Board of Directors of

Veejay Lakshmi Engineering Works Limited

As per our report of even date
For Manohar Chowdhry & Associates
Chartered Accountants, FRN No. 001997S

(SD/-) V.J. JAYARAMAN (SD/-) J. ANAND (SD/-) D. RANGANATHAN (SD/-) V.K. SWAMINATHAN
Chairman Managing Director Whole-Time Director Company Secretary
DIN No:00137340 DIN No: 00137425 DIN No:00137566

M.S.N.M. SANTOSH
Partner
M.No: 221916

Place : Coimbatore

Date : 05.05.2022


STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2022

Particulars	Note No.	For the year ended 31.03.2022	For the year ended 31.03.2021
INCOME		Amount ₹ in Lakhs	
I. Revenue from operations	17	7,494.61	5,131.73
II. Other Income	18	87.35	45.66
III Total Income (I+II)		7,581.96	5,177.39
IV. EXPENSES			
Cost of Materials consumed	19	5,509.87	3,267.90
Purchase of Traded goods		-	-
Changes in Inventories of Finished goods, Work-in process and Stock in trade	20	(720.25)	43.65
Employee Benefits Expense	21	1,038.54	778.38
Finance Costs	22	194.57	151.73
Depreciation and amortization expenses	2,3&4	264.23	244.02
Other expenses	23	1,211.44	990.02
Total Expenses (IV)		7,498.40	5,475.70
V. Profit/(Loss) before exceptional items and tax (III-IV)		83.56	(298.31)
VI. Exceptional items (income(+), expenses(-))		-	-
VII. Profit before Tax after exceptional items (V-VI)		83.56	(298.31)
VIII. Tax Expense :			
Current Tax		-	-
Current tax for prior period		-	16.83
Deferred Tax		(15.71)	(20.24)
IX. Profit and Loss for the year from continuing operations (VII-VIII)		99.27	(294.90)
X. Other comprehensive income			
A. Items that will not be reclassified to Profit or Loss			
1. Changes in Fair value of FVTOCI equity instruments		46.75	72.94
1.a. Deferred-tax relating to above		(13.01)	(20.29)
2. Remeasurement of post-employment defined benefit plans		6.60	1.34
+(income)/-(expense)			
2.a. Deferred-tax relating to above		(1.84)	(0.37)
B. Items that will be reclassified to Profit and Loss			
1. Forex Cash Flow Hedging		3.08	(1.51)
1.a. Deferred-tax relating to above		(0.86)	0.42
Total Other Comprehensive income for the year		40.72	52.53
XI. Profit / Loss from discontinuing operations		-	-
XII. Tax expense of discontinuing operations		-	-
XIII. Profit/Loss from discontinuing operations (after tax)		-	-
XIV. Total Comprehensive income for the year		139.99	(242.37)
Earnings per share for Continuing operation			
Basic		1.96	(5.81)
Diluted	28	0.71	(2.10)

There is no discontinued operation and hence there is no profit/loss or EPS relating to the same

Significant Accounting Policies

Notes to the Financial Statements

The accompanying Notes form an integral part of the Standalone Financial Statements

For and on behalf of the Board of Directors of

Veejay Lakshmi Engineering Works Limited

As per our report of even date
For Manohar Chowdhry & Associates
Chartered Accountants, FRN No. 001997S

(SD/-) V.J. JAYARAMAN (SD/-) J. ANAND (SD/-) D. RANGANATHAN (SD/-) V.K. SWAMINATHAN
Chairman Managing Director Whole-Time Director Company Secretary
DIN No:00137340 DIN No: 00137425 DIN No:00137566

M.S.N.M. SANTOSH
Partner
M.No: 221916

Place : Coimbatore
Date : 05.05.2022



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

Particulars	For the year ended 31 Mar, 2022	For the year ended 31 Mar, 2021
I Cash Flows from Operating Activities	₹ in lakhs	
Net profit before taxation and extraordinary item	83.56	(298.31)
Adjustments for:		
Depreciation and amortisation expense	264.23	244.02
Allowance for doubtful debts	—	—
Finance expenses (considered separately)	194.57	151.73
Interest income (considered separately)	(11.68)	(12.98)
Dividend Income	(0.13)	(0.15)
Unrealised foreign exchange fluctuation loss/(gain), net	(0.90)	(7.79)
(Profit)/loss on sale of Property, Plant & Equipment (net)	(39.53)	(0.15)
Profit on sale of Investments	—	—
Operating profit before working capital changes	406.56	374.68
Working capital changes:		
(Increase)/Decrease in Trade receivables	329.82	5.37
(Increase)/Decrease in Inventories	(97.44)	(104.78)
Increase/(Decrease) in Loans	4.09	1.82
(Increase)/Decrease in other current assets	(184.35)	(134.76)
(Increase)/Decrease in other financial Assets	—	—
Increase/(Decrease) in trade payables	35.71	(631.30)
(Increase)/Decrease in Non current Assets	147.57	(135.55)
Increase/(Decrease) in other financial liabilities	110.37	37.32
Increase/(Decrease) in other current liabilities	(106.23)	225.99
Increase/(Decrease) in Advances	89.54	27.20
Increase/(Decrease) in provisions	14.81	0.52
Cash generated from operations	750.45	(333.49)
Tax (paid)/refund received	8.59	19.30
Net cash provided by operating activities	(A) 842.60	(612.50)
II Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment	(291.36)	(96.93)
Sale proceeds of Property, Plant and Equipment	46.12	0.15
Interest income received	11.68	12.98
Amount Invested in Fixed Deposit	(2.01)	(17.26)
Proceeds from Investments	—	—
Dividend Income Received	0.13	0.15
Net cash used in investing activities	(B) (235.44)	(100.91)
III Cash Flows from Financing Activities		
Interest paid	(176.52)	(149.53)
Increase/(decrease) in short-term borrowings	(677.68)	631.68
Proceeds from long-term borrowings	271.09	235.66
Net cash provided by financing activities	(C) (583.11)	717.81
Effect of exchange differences on translation of cash and cash equivalents	(D) 0.90	7.79
Net increase/(decrease) in cash and cash equivalents during the year (A)+(B)+(C)+(D)	24.95	12.19
Cash and cash equivalents at the beginning of the year	15.37	3.18
Cash and cash equivalents at the end of the year	40.32	15.37
IV Significant Accounting Policies	1	
Notes to financial statements	(2-34)	

The accompanying Notes form an integral part of the Standalone Financial Statements

Notes: 1. Figures in brackets represent out flows of cash and cash equivalents.

For and on behalf of the Board of Directors of

Veejay Lakshmi Engineering Works Limited

As per our report of even date
For Manohar Chowdhry & Associates
Chartered Accountants, FRN No. 001997S

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

M.S.N.M. SANTOSH
Partner
M.No: 221916

Place : Coimbatore
Date : 05.05.2022

**Statement of Changes in Equity for the year ended 31st March 2021**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	Equity Share Capital	Reserves and Surplus				Equity Component of Compound Financial Instrument	Equity Instruments through Other Comprehensive Income	Items of Other Comprehensive Income	Cash Flow hedge	Total
		General Reserve	Capital Reserve	Securities premium	Retained Earnings					
Balance at the beginning of the Previous reporting period (01.04.2020)	507.19	3,599.49	100.82	2,116.43	(2,772.60)	716.87	33.85	(12.97)	-	4,289.08
Changes due to prior period items	-	-	-	-	-	-	-	-	-	-
Restated Balance at the beginning of reporting Period (01.04.2020)	507.19	3,599.49	100.82	2,116.43	(2,772.60)	716.87	33.85	(12.97)	-	4,289.08
Profit for the year	-	-	-	-	(294.90)	-	-	-	-	(294.90)
Remeasurement of net defined benefit Liability/Asset (net)	-	-	-	-	-	-	-	0.97	-	0.97
Changes in fair value of equity instruments through FVTOCI [net of tax]	-	-	-	-	-	-	52.65	-	-	52.65
Cash flow hedges (Net of taxes)	-	-	-	-	-	-	-	(1.09)	-	(1.09)
Cash flow Hedge Reserve	-	-	-	-	-	-	-	-	1.51	1.51
Total Comprehensive Income	-	-	-	-	(294.90)	-	52.65	(0.12)	1.51	(240.86)
Transfer to Reserves	-	-	-	-	-	-	-	-	-	-
Balance at the end of reporting Period (31.03.2021)	507.19	3,599.49	100.82	2,116.43	(3,067.50)	716.87	86.50	(13.09)	1.51	4,048.22

Statement of Changes in Equity for the year ended 31st March 2022

Particulars	Equity Share Capital	Reserves and Surplus				Equity Component of Compound Financial Instrument	Equity Instruments through Other Comprehensive Income	Items of Other Comprehensive Income	Cash Flow hedge	Total
		General Reserve	Capital Reserve	Securities premium	Retained Earnings					
Balance at the beginning of the current reporting period (01.04.2021)	507.19	3,599.49	100.82	2,116.43	(3,067.50)	716.87	86.50	(13.09)	1.51	4,048.22
Changes due to prior period items	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of reporting Period (01.04.2021)	507.19	3,599.49	100.82	2,116.43	(3,067.50)	716.87	86.50	(13.09)	1.51	4,048.22
Profit for the year	-	-	-	-	99.27	-	-	-	-	99.27
Remeasurement of net defined benefit Liability/Asset (net)	-	-	-	-	-	-	-	4.76	-	4.76
Changes in fair value of equity instruments through FVTOCI [net of tax]	-	-	-	-	-	-	33.74	-	-	33.74
Cash flow hedges (Net of taxes)	-	-	-	-	-	-	-	2.22	(3.08)	(0.86)
Total Comprehensive Income	-	-	-	-	99.27	-	33.74	6.98	(3.08)	136.91
Transfer to Reserves	-	-	-	-	-	-	-	-	-	-
Balance at the end of reporting Period (31.03.2022)	507.19	3,599.49	100.82	2,116.43	(2,968.23)	716.87	120.24	(6.11)	(1.57)	4,185.13

Significant Accounting Policies
Notes to the Financial Statements
2-34

The accompanying notes form an integral part of the standalone financial statements

For and on behalf of the Board of Directors of
Veejay Lakshmi Engineering Works Limited

(Sd/-) V.J. JAYARAMAN (Sd/-) J. ANAND (Sd/-) D. RANGANATHAN
Chairman Managing Director Whole-Time Director
DIN No:00137340 DIN No: 00137425 DIN No:00137566

Company Secretary

For Manohar Chowdhry & Associates

Chartered Accountants, FRN No. 0019975

M.S.N.M.Santosh
Partner

M.No: 221916

Place : Coimbatore
Date : 05.05.2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

1. CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

1. Corporate Information

Veejay Lakshmi Engineering Works Limited is a public company incorporated in India under the provisions of the Companies Act, 1956. Its shares are listed on the Bombay Stock Exchange [BSE]. The principal place of business is Coimbatore. The Company manufactures Textile machinery used in post spinning operations and also has a textile unit producing yarn and knitted fabrics. The products are sold in both domestic and international markets. The financial statements are approved for issue by the Company's Board of Directors on 5th May, 2022.

2. Statement of Compliance / Accounting Treatment

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013.

3. Basis of Preparation of Financial Statements

The financial statements are prepared on accrual basis of accounting under historical cost convention except as otherwise provided in policy and in accordance with Indian Accounting Standard (Ind-AS) as notified by Ministry of Corporate Affairs under Companies (Indian Accounting Standards) Rules, 2015 and guidelines issued by the Securities and Exchange Board of India (SEBI) and subsequent amendments thereof as well as with the additional requirements applicable to the financial statements as set forth in the Companies Act. All items having material bearing on the financial statements are recognised on the accrual basis.

4. Basis of Measurement

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities that are measured at fair values.

Items	Measurement Basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/liability	Fair value of plan assets less present value of defined benefit obligation

Measurement of Fair Values

A number of Company's accounting policies and disclosures require a measurement of their fair value, for both financial and non-financial assets and liabilities

The Company has an established control framework with respect to the measurement of fair values. This includes periodic review of all significant fair value measurement, including level 3 fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- **Level 1** : quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** : inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3** : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the other Notes to Accounts.

5. Use of Estimates and Judgment

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amount of assets, liabilities expenses and revenue during the reporting period. Although such estimates and assumptions are made on reasonable and prudent basis taking into all possible information, actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognized in the period in which the estimates are revised.

Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements are valuation of defined benefit obligations, and provisions and contingent liabilities, impairment of trade receivables.

a) Impairment of Trade Receivables

The company estimates the credit allowance as per practical expedient based on historical credit loss experience.

b) Provisions

Provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. The policy for the same has been explained under Note 14 of Significant Accounting policies.

6. Functional and Presentation Currency

These Financial Statements are presented in Indian Rupees, which is also Company's functional currency. All the amounts have been rounded off to the nearest rupee, unless otherwise indicated.

7. Property, Plant and Equipment and Intangible Assets

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and impairment loss, if any. Such costs comprises of purchase price and any directly attributable cost of bringing the assets to its working condition for intended use and also include any estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

The company depreciates property, plant & equipment using the straight line method on an estimated life as prescribed in Schedule II to the Companies Act, 2013.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are stated at cost less accumulated amortization and impairment if any.

The estimated useful lives and residual values of the Property, Plant & Equipment and Intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of Property, Plant & Equipment and intangible assets is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant & Equipment and intangible assets are determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the profit or loss. Advance paid towards the acquisition of property, plant & equipment outstanding at each Balance sheet date is classified as capital advance under other non-current assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**8. Impairment of Assets****Financial Assets:**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. IND AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Non-Financial Assets:

Property, Plant and Equipment and Other Intangible Assets: The Company reviews at each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit & loss.

9. Non-Current Assets held for Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Property, plant and equipment and Intangible assets are not depreciated or amortized once classified as held for sale.

10. Investment Property

Investment property is property held in the form of land/building which is mainly held for the purpose of capital appreciation, but not for sale in the ordinary course of business. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less impairment losses, if any. An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

11. Borrowing Cost

Borrowing Cost specifically identified to the acquisition or construction of qualifying assets is capitalized as part of cost of such assets up to the period the project is commissioned or asset is put to use. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. The borrowing cost incurred on common funds borrowed generally and used for the purpose of obtaining the qualifying assets, is apportioned on rational basis, the remaining borrowing costs are charged to the Statement of Profit and Loss. Income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Finance cost-Interest expense is recognised using Effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**12. Revenue Recognition**

- a. Revenue from Sale transaction is recognised when the risks and rewards in the goods sold are transferred to buyer for a definite consideration.
- b. Revenue from Service transactions is recognized based on service completed and billed to clients as per the terms of specific contract.
- c. Interest: Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- d. Dividend Income is recognized when the Company's right to receive is established.
- e. Export Incentives under Duty Drawback scheme are recognized when the right to receive payments is established and there is no uncertainty regarding the amount of consideration or its collectability.

13. Employee Benefits

Employee benefits include salaries, wages, provident fund, gratuity, leave encashment, compensate absences and retirement benefits.

Short-Term Employee Benefits

Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized undiscounted during the period employee renders services. These benefits include remuneration, bonus, incentives, etc.

Long-Term Employee Benefits**Defined Contribution Plans**

Retirement benefit plans in the form of Provident Fund are charged as an expense on an accrual basis when employees have rendered the service.

Defined Benefit Plans

Defined benefit plans comprises of Gratuity. For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Re-measurement, comprising actuarial gains and losses and the effect of the changes to the asset ceiling (if applicable), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur and consequently recognised in retained earnings and is not reclassified to profit or loss.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

Other Long Term Employee Benefits

Other long term employee benefit comprises of leave encashment. The leave benefits are recognized based on the present value of defined obligation which is computed using the projected unit credit method, with actuarial valuations being earned out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

14. Provisions and Contingent Liabilities

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of past event, it is probable that the company will be required to settle the obligation and reliable estimate can be made of the amount of the obligation.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of reporting period, taking into the account the risks and uncertainties surrounding the obligation. When provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of time value money is material).

Contingent liabilities are disclosed in the financial statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote. Contingent Liabilities are possible obligations that arises from past events and whose existence will be confirmed only when occurrence or non-occurrence of one or more future events not wholly within the control of the company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably the obligations are disclosed as contingent liabilities, unless the probability of outflow of economic benefits is remote. Contingent assets are not recognized but disclosed in the financial statements when an inflow of economic benefits is probable.

15. Foreign Currency Transactions

The Company translates all foreign currency transactions at Exchange Rates prevailing on the date of transactions. Exchange rate differences resulting from foreign exchange transactions settled during the year are recognized as income or expenses in the period in which they arise. Monetary current assets and monetary current liabilities that are denominated in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognized in the profit and loss account.

16. Taxes on Income

Income Tax expense comprises current tax and deferred tax.

Current Tax

Current Tax is the expected tax payable on taxable income for the year, using tax rates (tax laws) enacted or substantively enacted by the end of reporting period and includes adjustment on the account of tax in respect of previous year.

Deferred tax

Deferred tax is recognized using balance sheet method, providing for temporary difference between the carrying amount of asset or liability in the balance sheet and its tax base. Deferred tax is measured at the rate that are expected to apply when the temporary differences are either realized or settled, based on the laws that have been enacted or substantively enacted by the end of reporting period. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilized. The carrying amount of Deferred tax assets are reviewed at each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Minimum alternate tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of MAT credit is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

Current and Deferred Tax for the year

Income tax expense is recognized in the statement of profit or loss account except to the extent that it relates to items recognized in other comprehensive income.

17. Financial Instruments

Financial assets and financial liabilities are recognized when Company becomes a party to the contractual provisions of the Instruments.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

Financial assets and financial liabilities are initially measured at fair value, except when the effect is immaterial. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of profit and loss.

Financial Assets**Cash and Cash Equivalents**

The company considers all highly liquid financial Instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturity of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of cash on hand and cash balances with banks which are unrestricted for withdrawal and usage.

Financial Assets at Amortised Cost

Financial assets are subsequently measured at amortized cost using the effective interest method, except when the effect of applying it is immaterial, if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at Fair Value through other Comprehensive Income

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company, on initial application of IND AS 109 Financial Instruments, has made an irrevocable election to present subsequent changes in fair value of equity instruments not held for trading in other comprehensive income.

Financial Assets at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss are measured at fair values at the end of each reporting period, with any gains or losses arising on re-measurement recognized in Profit or loss.

Investment in Associates

Investment in Associates is measured at cost in separate financial statements. Dividend income from subsidiaries is recognised when its right to receive the dividend is established.

Derivative Financial Instruments and Hedge Accounting

The Company uses foreign currency forward contracts / options to hedge its risks associated with foreign Currency fluctuations relating to certain forecasted transactions. The Company designates some of these forward contracts / options as hedge instruments and account for as cash flow hedges applying the recognition and measurement principles set out in the Ind AS 109.

The counter party to the Company's foreign currency forward contracts is generally a bank. The Company does not use derivative financial instruments for speculative purposes. Foreign currency forward contract/option derivative instruments are initially measured at fair value and are re-measured

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in other comprehensive income and accumulated under effective portion of cash flow hedges.

Amounts previously recognised in other comprehensive income and accumulated in effective portion of cash flow hedges are reclassified to the Statement of Profit or Loss in the same period in which gains/losses on the item hedged are recognised in the Statement of Profit or Loss. However when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in effective portion of cash flow hedges are transferred from effective portion of cash flow hedges and included in the initial measurement of the cost of the nonfinancial asset or non-financial liability. Profit or loss arising on cancellation or renewal of a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal occurs. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the Statement of Profit and Loss as they arise.

Impairment of Financial Assets

The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

De-Recognition of Financial Assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On de-recognition of a financial asset in its entirety, (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in statement of profit and loss.

Financial Liabilities and Equity Instruments**Classification as Debt or Equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial Liabilities at Amortized Cost

Financial liabilities are subsequently measured at amortized cost using the effective interest method, except when the effect of applying it is immaterial.

Equity Instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue cost.

De-Recognition of Financial Liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022****Effective Interest Method**

The effective Interest method is a method of calculating the amortized cost of a debt Instrument and of allocating interest Income over the relevant period. The effective Interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial Guarantee Contracts

Financial guarantee contracts issued by the Company are initially measured at fair value and subsequently measured at the higher of the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18 Revenue.

18. Inventories

Inventories are valued at lower of cost and net realisable value after providing for obsolescence wherever necessary. Cost is determined on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

19. Statement of Cash Flows

Cash Flows are reported using indirect method, whereby profit/(loss) before tax is adjusted for the effect of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing of financing cash flows from operating, investing and financing activities of the company are segregated.

20. Leases Operating Lease

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term except where the increment in lease rentals is in line with general rate of inflation.

21. Earnings Per share

Basic Earnings per share are computed by dividing the profit/loss after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing profit/loss after tax as adjusted for dividend, interest and other charges to expense or income relating dilutive potential equity share, by the weighted number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity.

22. Current vs Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

1. Expected to be realised or intended to be sold or consumed in normal operating cycle, or
2. Held primarily for the purpose of trading, or
3. Expected to be realised within twelve months after the reporting period, or
4. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

A liability is current when:

1. It is expected to be settled in normal operating cycle, or
2. It is held primarily for the purpose of trading, or
3. It is due to be settled within twelve months after the reporting period, or
4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

23. Segment Reporting

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group's other components, and for which discrete financial information is available. Operating Segments are identified based on the nature of products and services. For reporting, the business has been split into two segments-Engineering and Textiles.

24. Accounting Policy on Revenue Recognition

The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' with the date of initial application being April 1, 2018. Ind AS 115 establishes a comprehensive framework on revenue recognition. Ind AS 115 replaces Ind AS 18 'Revenue' and Ind AS 11 'Construction Contracts.'

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts. Revenue is recognised on the basis of despatches in accordance with the terms of sale when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of the goods can be estimated reliably, there is no continuing effective control over or managerial involvement with the goods, and the amount of revenue can be measured reliably. The timing of transfers of risk and rewards varies depending on the individual terms of sale.

- a. Revenue from services is recognized in accordance with the specific terms of contract on performance.
- b. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- c. Dividend Income is recognized when the company's right to receive is established.
- d. Export Incentives under Duty Drawback scheme are recognized when the right to receive payments is established and there is no uncertainty regarding the amount of consideration or its collectability.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

2. Property, Plant and Equipment

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	Free Hold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Total
Gross carrying Amount							
As at 01/04/2020	1,112.82	1,385.55	2,582.19	59.39	13.07	11.04	5,164.06
Additions	—	—	451.07	0.65	—	0.67	452.39
Elimination on Disposal	—	—	—	—	—	—	—
As at 31/03/2021	1,112.82	1,385.55	3,033.26	60.04	13.07	11.71	5,616.45
Additions	—	—	280.68	—	12.95	0.89	294.52
Elimination on Disposal	—	—	6.65	—	—	—	6.65
As at 31/03/2022	1,112.82	1,385.55	3,307.29	60.04	26.02	12.60	5,904.32
Depreciation and Impairment							
As at 01/04/2020	—	259.31	1,049.23	56.86	6.21	7.65	1,379.26
Depreciation Expense	—	64.84	165.15	1.00	1.52	0.79	233.30
Eliminated on Disposal	—	—	—	—	—	—	—
As at 31/03/2021	—	324.15	1,214.38	57.86	7.73	8.44	1,612.56
Depreciation Expense	—	65.96	182.74	1.25	2.52	1.04	253.51
Eliminated on Disposal	—	—	0.06	—	—	—	0.06
As at 31/03/2022	—	390.11	1,397.06	59.11	10.25	9.48	1,866.01
Net book value							
As at 31/03/2022	1,112.82	995.44	1,910.23	0.93	15.77	3.12	4,038.31
As at 31/03/2021	1,112.82	1,061.40	1,818.88	2.18	5.34	3.27	4,003.89

All factory land and buildings and movable fixed assets have been offered as security for the loans availed from banks. Refer Note Nos. 12 and 14(a) for details of outstanding balances. All the lands including that of the investment property, are free hold, title deeds held in the name of the Company. There is no benami holding. No revaluation of property has been done during the FY.2021-22.

2a. Capital Work in Process

	31.03.2022	31.03.2021
Capital Work in Progress	—	3.16
Ageing - Capital WIP		
< 1 year	—	3.16
1-2 years	—	—
2-3 years	—	—

3. Details for Investment Property

Particulars	Free Hold Land	Buildings	Total
Gross carrying amount			
As at 01/04/2020	7.27	134.92	142.19
Additions	—	—	—
Elimination on Disposal	—	—	—
As at 31/03/2021	7.27	134.92	142.19
Additions	—	—	—
Elimination on Disposal	—	—	—
As at 31/03/2022	7.27	134.92	142.19
Depreciation and Impairment			
As at 01/04/2020	—	42.89	42.89
Depreciation Expense	—	10.72	10.72
Eliminated on Disposal	—	—	—
As at 31/03/2021	—	53.61	53.61
Depreciation Expense	—	10.72	10.72
Eliminated on Disposal	—	—	—
As at 31/03/2022	—	64.33	64.33
Carrying Amount As at 31/03/2022	7.27	70.59	77.86
Carrying Amount As at 31/03/2021	7.27	81.31	88.58

No revaluation of the investment property has been done. The carrying cost as at 31.3.2022 is the actual cost less depreciation till 31.03.2022.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts are in ₹ lakhs, unless otherwise stated)

4. Intangible Assets

	Cost	Total
Gross Carrying Amount		
As at 01-04-2020	0.01	0.01
Additions/deletions	—	—
As at 31-03-2021	0.01	0.01
Additions/deletions	—	—
As at 31-03-2022	0.01	0.01
Amortisation and impairment		
As at 01-04-2020	0.01	0.01
Additions/deletions	—	—
As at 31-03-2021	0.01	0.01
Additions/deletions	—	—
As at 31-03-2022	0.01	0.01
Net book value	—	—
Net book value	—	—

5. Financial Assets: Non Current

5(a). Investments

Name of the Coy / Security	31/3/2022		31/3/2021	
	No of Shares	Value	No of Shares	Value
Quoted Investments - fully paid up (A)				
Investments in equity instruments				
Lakshmi Machine Works Limited	1,500	144.27	1,500	101.84
Precision Fasteners Limited	10,000	—	10,000	—
IFCI Limited	200	0.02	200	0.02
State Bank of India	3,340	16.49	3,340	12.17
Unquoted Investments - fully paid up (B)				
Investments in equity instruments - Associate Company				
Veejay Sales and Services Limited	13,100	1.31	13,100	1.31
Total		162.09		115.34
Total Non - Current Investments				
Aggregate amount of quoted investments and market value		160.78		114.03
Aggregate amount of unquoted investments		1.31		1.31
Aggregate amount of impairment in value of investments.		—		—
Total		162.09		115.34
Category wise investments - as per IND AS 109 classification				
Financial Assets carried at Fair value through profit or loss (FVTPL)				
Financial Assets carried at Amortised cost		1.31		1.31
Financial Assets carried at Fair value through Other Comprehensive Income (FVTOCI)		160.78		114.03
Total		162.09		115.34

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022****5(b). Loans**

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	As at 31/03/2022	As at 31/03/2021
Unsecured and considered good		
Security Deposits	46.28	135.82
Rental Advances	0.06	0.06
Total	46.34	135.88

Loans do not include any due from Directors/Related parties or Key Managerial personnel. All the above are unsecured, but considered good. No allowance made for doubtful debt

6. Deferred Tax Asset

The Deferred Tax Asset on account of carry over losses and MAT credit is higher than the Deferred Tax Liability on account of Property, Plant and Equipment and other items. Due to uncertainty in realising the Deferred Tax Assets, the entire amount has been recognised in the profit and loss account of previous year. Any Deferred Tax Liability arising out of PPE or other items in future will get adjusted with the Carry over losses/MAT Credit entitlements.

Particulars	31-03-2022	31-03-2021
Deferred tax assets/ (Liabilities)	—	—

7. Other Non current Assets (Unsecured considered good)

Particulars	31-03-2022	31-03-2021
Advance for Capital Expenditure	29.17	176.74
Total	29.17	176.74

Does not include any advance to Directors, Key Managerial personnel or Related parties.

8. Current Assets:**8(a). Inventories**

Particulars	31-03-2022	31-03-2021
Raw Materials	504.75	1,280.39
Components	339.64	201.42
Scrap	6.77	7.03
Work-in-Progress	337.97	182.59
Stores and spares	61.54	46.93
Finished goods	814.52	249.39
Total Inventories	2,065.19	1,967.75

Mode of valuation is given in para 18 of Accounting Policies in Note No.1. All the current assets including Inventories are offered as security for the loans availed from banks. Refer Note Nos. 12 and 14(a) for details of outstanding balances. Amount of inventories recognised as expense during the year is Rs.5509.87 lakhs (previous year Rs.3267.90 lakhs).

8(b). Trade Receivables

Particulars	31-03-2022	31-03-2021
i. Secured considered good	—	—
ii. Unsecured considered good	81.19	411.01
iii. Unsecured and considered doubtful	—	—
Total Trade receivables	81.19	411.01
Ageing-Not due	—	—
Ageing-from due date		
<6 months	81.19	411.01
6 months to 1 year	—	—
1 -2 years	—	—
2-3 years	—	—
> 3 years	—	—

a) Sale is generally made against payments received in advance or bills through banks with or without L/cs.

b) Provision is made only for credit sales where bills have not been routed through bank. No provision has been made for credit loss on receivables as at 31.03.2022 as all are considered good and expected to be realised in full.

c) There is no un billed due receivable.

d) Receivables do not include any dues from Directors or Key Managerial personnel. Dues from a Company in which a Director is interested is Rs.5.44 Lakhs as at 31.03.2022 . (PY Rs.34.83 Lakhs)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts are in ₹ lakhs, unless otherwise stated)

8(c). Cash and Cash equivalents

Particulars	31-03-2022	31-03-2021
Balance with Banks		
– in Current Accounts	38.14	7.75
– in Deposit Account with original maturity less than 3 months	–	–
Cash on hand	2.18	7.62
Total	40.32	15.37

8(d). Bank Balances other than iii above

Particulars	31-03-2022	31-03-2021
Deposits for Margin money or for other commitments/security	38.47	36.46
Ear-marked balances with Banks - Unpaid Dividends	–	–
Total	38.47	36.46

8(e). Loans and Advances

Particulars	31-03-2022	31-03-2021
Unsecured – considered good		
Advance to Staff and Workers	1.05	5.14
Total Loans	1.05	5.14

Loans do not include any dues from Directors, Key Managerial personnel or Related parties. There is no secured loans.

9. Other Current Assets

Particulars	31-03-2022	31-03-2021
Prepaid Expenses	22.84	21.22
Advance to Suppliers (Other than Capital Advances)	26.51	49.59
GST	300.97	184.11
Other receivables	111.56	22.61
Total Other Current Assets	461.88	277.53

Advance to Suppliers include Rs.0.67 Lakhs (3%of total advance) to a private company in which one of our Directors is a Director. Other Current Assets do not include any dues from related parties/Key managerial personnel/Directors

10. Equity Share Capital

Particulars	31-03-2022	31-03-2021
	No of shares	
(i) Authorised Capital		
180,00,000 equity shares of par value Rs. 10/- each	1,800.00	1,800.00
(ii) Issued, Subscribed and fully paid up Capital		
50,71,900 Equity shares of par value Rs. 10/- each	507.19	507.19
Subscribed but not fully paid	Nil	Nil

(i) Reconciliation of shares Outstanding at the beginning and at the end of the Year

No of shares paid up outstanding at the beginning of reporting year	50,71,900	50,71,900
Add : Issued or allotted during the year	Nil	Nil
Less : Shares bought back during the year	Nil	Nil
No of shares paid up outstanding at the end of reporting year	50,71,900	50,71,900

(ii) Terms/Rights and restrictions attached to the equity shares

The Company has only one class of equity shares having par value of Rs.10/- share. Each holder of equity shares is entitled to one vote per share



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts are in ₹ lakhs, unless otherwise stated)

(iii) The details of Shareholders holding more than 5% of total shares

Particulars	31.03.2022			31.03.2021		
	No. of Shares	% to total capital	% change during the year	No. of shares	% to total capital	% change during the year
1. Sri V.J. Jayaraman	12,35,753	24.36	Nil	12,35,753	24.36	0.02
2. Smt J. Vidya	7,36,110	14.51	Nil	7,36,110	14.51	Nil
3. Sri J. Anand	12,65,678	24.95	Nil	12,65,678	24.95	0.39

(iv) Promoters Holding

Particulars	31.03.2022	31.03.2021
Number of shares - Total	33,08,735	33,08,735
% change during the year	Nil	0.16

Preference Share Capital

Preference Share Capital (6% non cumulative redeemable preference shares of Rs.10 each)

Authorised Capital - No of shares	3,60,00,000	3,60,00,000
Authorised Capital - Amount Rs. in Lakhs	3,600	3,600
Subsribed and Paid up	—	—

11. Other Equity

Particulars	31.03.2022	31.03.2021
i) Securities Premium Account	2,116.43	2,116.43
ii) Retained Earnings		
Opening	(3,067.50)	(2,772.60)
Add: Current year surplus	99.27	(294.90)
Transfer to Reserves	—	—
Closing	(2,968.23)	(3,067.50)
iii) Reserve for Equity instruments and others through Other Comprehensive Income		
Opening	73.41	20.88
Movement in OCI (Net) during the year	40.72	52.53
Closing	114.13	73.41
iv) Equity Component of compound Financial Instrument		
Opening	716.87	716.87
Movements during the year	—	—
Closing	716.87	716.87
(v) General Reserve		
Opening	3,599.49	3,599.49
Additions During the year	—	—
Closing	3,599.49	3,599.49
(vi) Capital Reserve		
Opening	100.82	100.82
Current year addition/deletion	—	—
Closing	100.82	100.82
(vii) Cash flow hedge reserve		
Opening	1.51	—
Current year addition/deletion	(3.08)	1.51
Closing	(1.57)	1.51
Total Other Equity	3,677.94	3,541.03

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts are in ₹ lakhs, unless otherwise stated)

12. Financial Liabilities-Non Current**Borrowings**

Particulars	31.03.2022	31.03.2021
Secured		
State Bank of India	382.67	340.88
Bank of Baroda	69.70	—
Indian Overseas Bank	60.00	—
Total Secured Loans	512.37	340.88

- a) Term Loan for Rooftop Solar Project-Sanctioned Rs.320 lakhs, Interest rate 1 % over MCLR effective 9% on date of sanction. Re payable in 120 equal monthly installments starting from 1.10.2020. Outstanding as at 31.03.2022 Rs.272.06 lakhs. Rs.32 lakhs repayable before Mar-2023 classified as current liability. The Loan has been used for the Rooftop Solar Project.
- b) Guaranteed Emergency Credit Line(GECL)-Sanctioned Rs.68 lakhs-interest 0.75% over EBLR effective 7.05% on date of sanction. Repayable in 36 monthly installments after 12 months moratorium period. Outstanding as at 31.03.2022 Rs.56.28 lakhs.Rs.22.67lakhs classified as Current liability.
- c) Common Covid Emergency Credit Line(CCECL)-Sanctioned Rs.100 lakhs-interest 1 year MCLR 7.25% on date of sanction. Repayable in 18 equal installments after 6 months from disbursal. Outstanding Rs.10.95 lakhs and fully classified as current liability.
- d) State Bank of India Covid GECL 1.0 extension loan Rs.109.00 lakhs. Interest EBLR +75bps-effective 7.40%. Repayable in 36 equal installments after a moratorium period of 24 months. Fully classified as Non Current Liability.
- e) Bank of Baroda-Additional working capital term loan Covid BGLES1.0 Rs.69.70 lakhs. Rate of interest BRLLR plus 2.50% effective 6.5%. Repayable in 36 equal installments after a moratorium period of 24 months. Fully classified as Non Current Liability.
- f) Indian Overseas Bank-Working capital Term Loan under Covid ECLGS 1.0 Extension scheme Rs.60 lakhs. RLLR+1% effective 7.85%. Repayable in 36 equal installments after a moratorium period of 12 months. Fully classified as Non Current Liability
- g) GECL, CCECL and GECL extension loans have been utilised for the working capital requirements.

All loans, except GECL, are secured by a charge on factory land and buildings and current assets of the Company No default in repayment of term loan or payment of interest

Unsecured (From Promoters/Directors/Related parties)	31.03.2022	31.03.2021
Loans from Directors/Promoters-interest 9%. Brought in as promoter's contribution for capital expenditure financed by term loans from Bank. Will be retained till the termloans to the Bank is repaid	360.65	300.00
Liability Component of Compound financial instrument (Interest Free Long Term unsecured Loan from Promoters)	362.33	323.38
Total	1235.35	964.26

13. Other Financial Liabilities

Particulars	31.03.2022	31.03.2021
Provision for Employee benefits-Gratuity & Leave salary	62.94	63.77
Total	62.94	63.77

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

(All amounts are in ₹ lakhs, unless otherwise stated)

14 Financial Liabilities**14(a) Current Borrowings**

Particulars	31.03.2022	31.03.2021
Secured - Repayable on demand		
Working capital facilities		
State Bank of India	238.59	639.12
Bank of Baroda	22.94	233.50
Indian Overseas Bank	181.41	203.78
Current Maturities of Long Term Debt - Secured - State Bank of India	65.62	111.22
Unsecured		
Loans from Directors repayable on demand	10.00	8.62
Total Short term Borrowings	518.56	1,196.24

All the above Secured loans are secured by a charge on factory land and buildings and current assets of the Company on pari passu basis. The short term borrowings have been used for working capital requirements of the Company

14(b) Trade Payables

Particulars	31.03.2022	31.03.2021
Bills unpaid to MSME	174.11	—
Post dated cheques paid to MSME	148.31	—
Bills unpaid to other creditors	2.55	344.14
Post dated cheques paid to other creditors	54.88	—
Total Payables	379.85	344.14
Ageing - Not due	—	—
Ageing - MSME		
<1 year	322.42	—
Ageing - Other Creditors		
<1 year	55.84	342.55
Disputed dues >3 years-others	1.59	1.59

14(c) Other Financial Liability

Particulars	31.03.2022	31.03.2021
Interest Accrued but not due on borrowings	22.57	4.52
Salary Payable	42.37	52.08
Expenses payable	191.19	71.11
Total Financial Liabilities	256.13	127.71

15. Other Current Liabilities

Particulars	31.03.2022	31.03.2021
Advance Received from Customers	344.22	461.04
Statutory Dues	24.01	13.42
Total	368.23	474.46

16. Provisions

Particulars	31.03.2022	31.03.2021
Provision for Employee benefits		
i) Provision for Bonus	22.09	19.46
ii) Leave encashment	8.87	4.19
Provision for Warranty	9.41	7.68
Total	40.37	31.33



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts are in ₹ lakhs, unless otherwise stated)

17. Revenue from Operations

Particulars	31.03.2022	31.03.2021
a) Sale of Products	7,318.48	5,093.49
b) Sale of Services	28.09	17.43
c) Other operating revenues	148.04	20.81
Total Revenue	7,494.61	5,131.73

18. Other Income

Particulars	31.03.2022	31.03.2021
Interest Income	11.68	12.98
Dividend Income	0.13	0.15
Foreign Exchange Loss/(gain)	43.65	31.26
Gain/Loss on sale of Asset	39.53	0.15
Miscellaneous Income/(expenses)	(7.64)	1.12
Total Other Income	87.35	45.66

19. Cost of Materials Consumed

Particulars	31.03.2022	31.03.2021
Raw materials - Ferrous	115.41	101.89
Raw materials - Non-Ferrous	53.83	39.60
Raw materials - Castings	61.42	28.53
Raw materials - Non metals	11.93	20.83
Components & Others	947.90	369.18
Cotton Consumed	4,319.38	2,707.87
Materials consumed	5,509.87	3,267.90

20. Changes in Inventories of Finished goods, Work-in process and Stock in trade

Particulars	31.03.2022	31.03.2021
Opening stock	439.01	482.66
Closing stock	1,159.26	439.01
Change in inventory	(720.25)	43.65

21. Employee Benefits

Particulars	31.03.2022	31.03.2021
Salary and Allowances	879.09	625.79
Contribution to Provident Fund	35.08	33.20
Staff and Labour Welfare expenses	94.64	95.37
Bonus	21.77	16.56
Gratuity	7.96	7.46
Total Employee Cost	1,038.54	778.38

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

(All amounts are in ₹ lakhs, unless otherwise stated)

22. Finance Costs

Particulars	31.03.2022	31.03.2021
Interest expense	170.44	114.80
Other borrowing costs(Commitment charges for under utilisation of the limits and other charges and fees for loan processing, documentation, property valuation, title verification and inspection relating to the loans.)	24.13	36.93
Total Finance Cost	194.57	151.73

23. Other Expenses

Particulars	31.03.2022	31.03.2021
Stores consumed	169.55	130.50
Fabrication Charges	183.56	129.90
Power and Fuel	219.33	226.29
Freight	56.78	147.02
Printing and Stationery	5.59	4.96
Postage and Telephone	8.45	7.64
Travelling and Vehicle Maintenance	45.01	51.53
Insurance	18.84	19.59
Rent	1.23	5.63
Bank Charges	8.57	4.74
Licences and Taxes	34.56	44.89
Sales commission	274.73	93.02
Sales promotion & Advertisement expenses	6.32	6.67
Subscription and periodicals	4.59	3.77
Directors' sitting fees	2.10	2.15
Audit fees-For Statutory Audit and Limited review	2.90	2.90
Legal and Professional charges	15.20	12.04
Repairs and Maintenance-Buildings	21.94	10.91
Repairs and Maintenance-Machinery	128.31	82.91
Repairs and Maintenance-Others	3.67	2.42
Miscellaneous Expenses	0.19	0.12
Donations	0.02	0.42
Total Other Expenses	1,211.44	990.02

24. Payments to Auditors

Particulars	For the year ended 31.03-2022	For the year ended 31.03-2021
Audit Fees		
For Statutory Audit and Limited Review	2.90	2.90
Total	2.90	2.90

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts are in ₹ lakhs, unless otherwise stated)

25. As defined under Micro, small and Medium Enterprises Development Act 2006, the disclosure in respect of the amount payable to such enterprises as at 31.03.2022 has been made in the financial statements based on information received and available with the company.

Particulars	As at 31-Mar-22	As at 31-Mar-21
a) The Principal amount due there on remaining unpaid to any supplier as at the end of each accounting year	322.42	—
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	—	—
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.	—	—
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	—	—
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.	—	—

26. Reconciliation of effective tax rate

Particulars	31-Mar-22	31-Mar-21
(i) Profit/ (Loss) before tax	83.56	(298.31)
Enacted tax rate	27.82%	27.82%
Computed expected tax expenses	23.25	—
(ii) Tax effects of amounts which are not deductible (taxable) in calculating taxable income	109.52	108.92
Tax effects of amounts which are deductible in calculating taxable income	(108.84)	(84.09)
Tax effects of due to adjustment of losses (-current/brought forward)	(23.93)	(24.83)
Income tax expense	—	—
Effective tax rate	—	—

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

(All amounts are in ₹ lakhs, unless otherwise stated)

27. Contingent liabilities and Capital Commitments

Particulars	As at 31-Mar-22	As at 31-Mar-21
A. Contingent Liabilities		
Claims against the Company not acknowledged as debts		
i) Customs Duty liability and interest on account of pending export obligation against EPCG Licence	—	61.17
ii) Arbitration awards made in favour of two foreign cotton suppliers, challenged by the company in the Court of law	150.98	141.20
iii) Claim from the buyer of the Textile unit sold by the Company in respect of workers retrenched before sale of the textile unit at Udumalpet with interest as per arbitration award contested by the Company	40.84	37.76
iv) Cross subsidy claim for power purchase from third parties relating to earlier years	37.92	37.92
v) Demand for reversal of TAN Vat input credit relating to the goods sold outside Tamilnadu against C-form. Stay obtained in High Court. Excluding Interest	9.17	—
Total	238.91	278.05

B. Capital Commitments

Particulars	As at 31-Mar-22	As at 31-Mar-21
Estimated amounts of Capital contracts	—	160.00
Total	—	160.00

28. Earnings Per Share

Particulars	As at 31-Mar-22	As at 31-Mar-21
Profit after taxation	99.27	(294.90)
Equity shares outstanding at the end of the year (In No.'s)	5,071,900	5,071,900
Weighted average number of Equity shares outstanding during the year	5,071,900	5,071,900
Earnings per share(Basic)(In Rs)	1.96	(5.81)
Earnings per share(Diluted)(In Rs)	0.71	(2.10)
Nominal value per share(Rs)	10.00	10.00

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts are in ₹ lakhs, unless otherwise stated)

30. Segment information (Primary segment information (business segments))

Particulars	2021-22					2020-21				
	Engineering	Textile	Unallocated	Inter Segment eliminations	Total	Engineering	Textile	Unallocated	Inter Segment eliminations	Total
a) Revenue	1,912.66	5,581.95	—	—	7,494.61	1,085.70	4,046.03	—	—	5,131.73
b) Inter Segment sales	—	—	—	—	—	—	—	—	—	—
Total Revenue	1,912.66	5,581.95	—	—	7,494.61	1,085.70	4,046.03	—	—	5,131.73
c) Result	(169.19)	471.88	—	—	302.69	(238.17)	122.96	—	—	(115.21)
Add: Unallocated income (net of expenditure)	—	—	—	—	(24.56)	—	—	—	—	(31.37)
Profit before interest and tax	—	—	—	—	278.13	—	—	—	—	(146.58)
Interest	12.64	181.93	—	—	194.57	17.25	134.48	—	—	151.73
Profit before tax	—	—	—	—	83.56	—	—	—	—	(298.31)
Tax expenses	—	—	—	—	—	—	—	—	—	—
- Current tax - Prior years	—	—	—	—	—	—	—	—	—	16.83
- Deferred tax	—	—	—	—	(15.71)	—	—	—	—	(20.24)
- Total	—	—	—	—	(15.71)	—	—	—	—	(3.41)
Profit for the year	—	—	—	—	99.27	—	—	—	—	(294.90)
c) Assets	1,761.64	4,740.52	—	—	6,502.16	1,274.06	5,484.66	—	—	6,758.72
Add: Unallocated corporate assets	—	—	—	—	544.40	—	—	—	—	491.41
Total assets	—	—	—	—	7,046.56	—	—	—	—	7,250.13
d) Liabilities	1,060.56	1,798.87	—	—	2,859.43	723.17	2,476.74	—	—	3,199.91
Add: Unallocated corporate liabilities	—	—	—	—	2.00	—	—	—	—	2.00
Total liabilities	—	—	—	—	2,861.43	—	—	—	—	3,201.91
e) Capital assets acquired during the year	28.99	265.53	—	—	294.52	10.56	441.83	—	—	452.39
f) Depreciation, impairment and amortisation	40.99	211.11	12.13	—	264.23	40.06	191.83	12.13	—	244.02
g) Other non-cash charges except depreciation, impairment and amortisation	—	—	—	—	—	—	—	—	—	—

Revenue from Engineering division is on account of sales of textile machinery and spares and the textile division revenue is on account of cotton yarn and fabrics. Approximately INR Rs.2430.48 lakhs has been realised from exports (Engineering Division Rs.570.74 lakhs and Textile Division Rs.1859.74 lakhs). Previous year Total exports Rs.2832.43 lakhs. (Engineering Division Rs. 60.77 lakhs and Textile Division Rs.2771.66 lakhs). There is one customer contributing individually to 19% of total revenue in 2021-22-Rs.1451.46 lakhs The largest turnover to a single customer is Rs. 1994.55 lakhs in previous year.

Reconciliations to amounts reflected in the financial statements

Reconciliation of profit	31-Mar-22	31-Mar-21
Segment profit	302.69	(115.21)
Dividend Income	0.13	0.15
Depreciation on Corporate Assets	(12.13)	(12.13)
Other Expenses - Audit fees stationery, Professional Charges etc.	(24.24)	(32.37)
Interest Income	11.68	12.98
Profit before interest and tax	278.13	(146.58)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts are in ₹ lakhs, unless otherwise stated)

Reconciliation of Assets	31-Mar-22	31-Mar-21
Segment operating assets	6,502.16	6,758.72
Corporate Assets - Property & Investments	460.92	426.30
Cash and Cash equivalents	78.79	51.83
TDS/MAT receivable	4.69	13.28
Total assets	7,046.56	7,250.13

Reconciliation of liabilities	31-Mar-22	31-Mar-21
Segment operating liabilities	2,859.43	3,199.91
Other Current Liabilities	2.00	2.00
Total liabilities	2,861.43	3,201.91

31. RELATED PARTY DISCLOSURES

(i) Companies/Firms with which the company had transactions during the year

1. M/s Veejay Sales and Services Limited
2. M/s Veejay Marketing
3. M/s Team Tiger Enterprises Pvt Ltd.
4. M/s Sree Meenakshi And Co
5. M/s Lakshmi Card Clothing Manufacturing Co. Pvt. Ltd.
6. M/s Augustan Knitwear P. Ltd.
7. M/s Sasirekha Vengatesh
8. M/s S.K.D.C Consultants Ltd.
9. M/s Prathishta Weaving & Knitting Co. Pvt. Limited

(ii) Companies/Firms with which the company had no transactions during the year

1. M/s The Krishna Mills Private Limited

(iii) Key Management Personnel

1. Sri J.Anand, Managing Director
2. Sri D.Ranganathan, Whole Time Director
3. Sri V.K.Swaminathan, Company Secretary

(B) Related party transactions

Particulars	Associated Companies/ Firms	Key Manage- rial personnel	Relative of Key Managerial Personnel	Total
Purchase of goods and services-raw materials, components and engineering job works	120.45	—	—	120.45
	<i>47.95</i>	—	—	<i>47.95</i>
Sale of goods and job works	334.68	—	—	334.68
	<i>65.73</i>	—	—	<i>65.73</i>
Rent paid	—	—	1.23	1.23
	<i>4.40</i>	—	<i>1.23</i>	<i>5.63</i>
Managerial Remuneration	—	38.92	—	38.92
	—	<i>25.26</i>	—	<i>25.26</i>
Interest Expense	8.88	4.48	20.60	33.96
	<i>20.76</i>	—	<i>10.41</i>	<i>31.17</i>
Unsecured loans outstanding at year end	—	345.21	925.15	1,270.36
	<i>200.00</i>	<i>284.85</i>	<i>723.76</i>	<i>1,208.61</i>
Interest accrued Payable	—	4.03	18.54	22.57
	<i>2.71</i>	—	<i>1.38</i>	<i>4.09</i>
Outstanding due from the company	—	—	—	—
	<i>42.53</i>	—	—	<i>42.53</i>
Outstanding due to the company	6.13	—	—	6.13
	<i>59.49</i>	—	—	<i>59.49</i>

Figures in Italics represent prior period figures.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts are in ₹ lakhs, unless otherwise stated)

32. As per IND AS 19 “Employee Benefits”, the disclosure of Employee benefits are given below:

Defined benefit plan and other Long term Employee benefits

Gratuity Plan

The company operates gratuity plan wherein every employee is entitled to benefit equivalent to 15 days salary last drawn for each completed year of service. The same is payable at the earlier of retirement or termination. The benefit vests after five years of continuous service.

Reconciliation of opening and closing balance of the present value of defined benefit obligation

Particulars	Leave Encashment Unfunded		Gratuity Unfunded	
	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-22	As at 31-Mar-21
Projected benefit obligation at the beginning of the year	4.19	2.71	65.91	63.50
Service cost	1.29	1.24	3.62	3.50
Interest cost	0.27	0.18	4.48	4.09
Past Service cost	—	—	—	—
Remeasurement (Gain)/Loss	3.60	0.06	(6.75)	(1.47)
Benefits paid	(0.48)	—	(2.19)	(3.71)
Projected benefit obligation at the end of the year	8.87	4.19	65.07	65.91

Amount recognised in Balance sheet

Particulars	Leave Encashment Unfunded		Gratuity Unfunded	
	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-22	As at 31-Mar-21
Projected benefit obligation at the end of the year	8.87	4.19	65.07	65.91
Fair value of plan assets at the end of the year	—	—	2.13	2.14
Amount of liability recognised in the Balance sheet	8.87	4.19	62.94	63.77
Current Liability	8.87	4.19	—	—
Non Current Liability	—	—	62.94	63.77

Expense Recognised in Statement of Profit and Loss Account

Particulars	Leave Encashment Unfunded		Gratuity Unfunded	
	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-22	As at 31-Mar-21
Service cost	1.29	1.24	3.62	3.50
Interest cost	0.27	0.18	4.48	4.09
Past Service cost	—	—	—	—
Expected return on plan assets	—	—	(0.15)	(0.14)
Actuarial Gain/loss due to demographic Assumption changes in defined benefit obligation	1.80	0.03	—	—
Actuarial Gain/loss due to Financial assumption changes in defined benefit obligation	—	—	—	—
Actuarial Gain/loss due to Experience adjustment changes in defined benefit obligation	1.80	0.03	6.60	1.34
Return on plan assets (Greater)/lesser than Discount rate	—	—	—	—
Total cost recognised in Profit and Loss account and OCI	5.16	1.48	14.55	8.79
Cost recognised in Profit and loss Account	5.16	1.48	7.95	7.45
Remeasurement effect recognised in OCI	—	—	6.60	1.34
Total defined Benefit Cost	5.16	1.48	14.55	8.79



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts are in ₹ lakhs, unless otherwise stated)

Summary of Actuarial Assumptions

Particulars	Leave Encashment Unfunded		Gratuity Unfunded	
	Year ended 31-Mar-22	Year ended 31-Mar-21	Year ended 31-Mar-22	Year ended 31-Mar-21
Mortality rate(LIC)				
Discount rate p.a	7.28%	6.91%	7.28%	6.91%
Expected rate of return on plan assets p.a	7.28%	6.91%	7.28%	6.91%
Rate of escalation of salary p.a	5%	5%	5%	5%
Attrition	2%	2%	2%	2%
Leave accounting and consumption technique	—	—	NA	NA
Proportion of leave availment	10%	10%	NA	NA
Proportion of encashment in Service/ Lapse	—	—	NA	NA
Proportion of encashment on separation	90%	90%	NA	NA

The estimate of rate of escalation in salary considered in actuarial valuation, taken into account inflation, seniority, promotion and other relevant factors. The discount rate has been chosen by reference to market yields on Government Bonds. The above information is certified by actuary.

The overall expected rate of return on assets is determined based on the market prices prevailing on the data applicable to the period over which the obligation is to be settled.

The expected cash flows over the next five years are as follows:

Year	Leave Encashment	Gratuity
1 year	0.20	2.16
2 to 5 years	1.19	15.15
6 to 10 years	5.71	69.92

Sensitivity Analysis of Significant Actuarial Assumptions

Particulars	Leave Encashment	
	March 31, 2022	March 31, 2021
	Change in Defined benefit Obligation	
Discount rate + 50 basis points	0.08	0.07
Discount rate - 50 basis points	0.07	0.06
Salary growth rate + 50 basis points	0.06	0.06
Salary growth rate - 50 basis points	0.05	0.05

Particulars	Gratuity	
	March 31, 2022	March 31, 2021
	Change in Defined benefit Obligation	
Discount rate + 50 basis points	0.08	0.07
Discount rate - 50 basis points	0.07	0.06
Salary growth rate + 50 basis points	0.06	0.06
Salary growth rate - 50 basis points	0.05	0.05

While one of the parameters mentioned above is changed by 100 basis points, other parameters kept unchanged for evaluating the defined benefit obligation. While there is no change in the method used for sensitivity analysis from previous period, the change in assumptions now considered are with reference to the current assumptions.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts are in ₹ lakhs, unless otherwise stated)

33. Liquidity/Profitability Ratios

Particulars	Current Year	Previous Year
A. Current Ratio		
Current Assets - A	2692.79	2726.54
Current Liabilities - B	1563.14	2173.88
Current Ratio A/B	1.72	1.25
Variance compared to previous year	37%	
Reasons -Due to reduction in current liabilities with increase in long term borrowings		
B. Debt Equity Ratio		
Total Liabilities Excluding Equity-A	2861.43	3201.91
Capital And Other Equity-B	4185.13	4048.22
Debt Equity Ratio-A/B	0.68	0.79
Variance compared to previous year	-14%	
C. Debt Service Coverage Ratio		
Profit before Finance cost and Depreciation	542.36	97.44
Interest Out Flow Plus Term Loan Repayments During The Year-B	305.79	167.73
Repayments During The Year	111.22	16.00
Debt Service Coverage (A/B)	1.77	0.58
Variance compared to previous year	205%	
Reasons - The Ratio Was Low In Previous Year Due To Loss Incurred		
D. Return on Equity Ratio		
Profit After Taxes-A	99.27	(294.90)
Average Of Total Equity	3609.49	3661.46
Return On Equity Ratio(A/B)	0.03	(0.08)
Variance compared to previous year	-134%	
Reasons-Usually this ratio is calculated only when the Company has net profit. As there is loss in the previous year, the ratio is negative and is not given		
E. Inventory Turnvoer Ratio		
Cost Of Goods Sold-B	5509.87	3267.90
Average Inventory	2016.47	1915.36
Inventory Turnover Ratio-A/B	2.73	1.71
Variance compared to previous year	60%	
Reasons-Increase in turnover in current year and lower average level of inventory is the reason for variation		
F. Debtors Turnover Ratio		
Total Revenue - A	7581.96	5177.39
Credit Sales in Above - B	2371.60	2408.87
Average Debtors - C	246.10	413.70
Debtors Turnvoer Ratio B/C	9.64	5.82
Variance compared to previous year	65%	
Reasons-The debtors turnover ratio during 2021-22 is less compared to 2020-21 due to increase in the average debtor balance and lower credit sales during the year 2021-22.		



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	Current Year	Previous Year
G. Trade Payable Turnover Ratio		
Trade payable average-A	362.00	426.03
Total Purchases-B	5240.17	3676.73
Trade Payable B/A	14.48	8.63
Variance Compared To Previous Year	68%	
The payable turnover ratio is more in the current year due to reduction in average trade payable and increase in purchases due to increase in turnover		
G. Net Capital Turnover Ratio		
Average of Net working capital (Current Assets-Current Liabilities)	841.16	804.92
Sales Turnover-B	7494.61	5131.73
Net Capital Turnover Ratio(B/A)	8.91	6.38
Variance compared to previous year	40%	
Reasons - The return is higher in the current year due to profit in the current year due to increase in sales and better margins		
H. Net Profit Ratio		
Profit before Taxes-A	83.56	(298.31)
Sales Turnover-B	7494.61	5131.73
Net Profit Ratio-(A/B) in %	1%	(6%)
Variance compared to previous year	-119%	
Reasons - Variance is higher due to profit in current year against loss in previous year		
I. Return On Capital Employed		
profit before taxes plus interest-A	278.13	(146.58)
Equity+Long term borrowings(average of opening and closing)-B	5216.48	5015.08
Return on Capital employed-(A/B)	0.05	(0.03)
Variance compared to previous year	-282%	
Reasons - Variance is higher due to profit in current year against loss in previous year		
J. Return on Investment		
Net profit after taxes-A	99.27	(294.90)
Average value of assets -B	2709.67	2613.71
Return on Investment	4%	(11%)
Variance compared to previous year	-132%	
Reasons - The return is higher in the current year due to profit in the current year due to increase in sales and better margins		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts are in ₹ lakhs, unless otherwise stated)

34. Financial Instruments Risk and review

Financial Instruments

The carrying value and fair value of financial instruments by categories as of March 31, 2022 is as follows:

Particulars	Fair Value through P&L	Fair Value through Comprehensive Income	Amortised Cost	Total Carrying Amount
Assets:				
Cash and Cash Equivalents	—	—	40.32	40.32
Other Balances with Bank	—	—	38.47	38.47
Trade receivables	—	—	81.19	81.19
Loans	—	—	47.39	47.39
Investments	—	160.78	1.31	162.09
Other Financial Assets	—	—	—	—
Total	—	160.78	208.68	369.46
Liabilities				
Trade and Other Payables	—	—	379.85	379.85
Borrowings	—	—	1,753.91	1,753.91
Other Financial Liabilities	—	—	256.13	256.13
Total	—	—	2,389.89	2,389.89

The carrying value and fair value of financial instruments by categories as of March 31, 2021 is as follows:

Particulars	Fair Value through P&L	Fair Value through Comprehensive Income	Amortised Cost	Total Carrying Amount
Assets:				
Cash and Cash Equivalents	—	—	15.37	15.37
Other Balances with Bank	—	—	36.46	36.46
Trade receivables	—	—	411.01	411.01
Loans	—	—	141.02	141.02
Investments	—	114.03	1.31	115.34
Other Financial Assets	—	—	—	—
Total	—	114.03	605.17	719.20
Liabilities				
Trade and Other Payables	—	—	344.14	344.14
Borrowings	—	—	2,160.50	2,160.50
Other Financial Liabilities	—	—	127.71	127.71
Total	—	—	2,632.35	2,632.35

Fair Value Hierarchy

The following table shows the levels in the fair value hierarchy as the end of reporting period.

	As at March 31, 2022	As at March 31, 2021
Assets		
Investments	Level 1	Level 1
Liabilities		
Borrowings-Optionally convertible loan	Level 2	Level 2

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

(All amounts are in ₹ lakhs, unless otherwise stated)

Financial Risk Management Objectives and Policies

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

The company is exposed to the following risks from its use of financial instruments

- Market Risk
- Credit Risk
- Liquidity Risk

The company's Board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This note presents information about the risks associated with its financial instruments, the company's objectives, policies and processes for measuring and managing risk, and the Company's management of Capital.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

a) Foreign Currency Exchange Rate Risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. The risks primarily relate to fluctuations in US Dollar, Euro, Great Britain Pound, and Australian Dollar against the respective functional currencies of Veejay Lakshmi Engineering Works Limited

The following analysis has been worked out based on the net exposures for Veejay Lakshmi Engineering Works Limited as of the date of statements of financial position which could affect the Statements of profit or loss and other comprehensive income and equity.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary Liabilities at the end of the reporting period are as follows:

As at March 31, 2022	USD	EURO	JPY	GBP
Financial Assets				
Trade receivables	75.66	—	—	—
Total	75.66	—	—	—
Financial Liabilities				
Trade Payables	72.07	—	—	—
Total	72.07	—	—	—
As at March 31, 2021				
Financial Assets				
Trade receivables	245.87	—	—	—
Total	245.87	—	—	—
Financial Liabilities				
Trade Payables	—	—	—	—
Total	—	—	—	—

Credit Risk

The company is exposed to credit risk as a result of risk of counterparties defaulting on their obligations. The company's exposure to credit risk primarily relates to Cash and Cash Equivalents, other bank balances, trade receivables, loans and other financial assets.

The customer's credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management.

Credit quality of a customer is assessed based on the individual credit limits that are defined in accordance with the assessment and outstanding customer receivables are regularly monitored. The company monitors and limits its exposure to credit risk on a continuous basis.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts are in ₹ lakhs, unless otherwise stated)

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Exposure to Credit Risk	31-03-2022	31-03-2021
The carrying amount of financial assets represents the maximum credit exposure. Maximum exposure to credit risk being the total of the carrying amount of trade receivables, investments, cash and cash equivalents, other balance with banks, loans and other financial assets.	369.46	719.20

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The maximum exposure to credit risk as at reporting date is primarily from trade receivables and the movement in allowance for impairment in respect of trade and other receivables during the year was as follows:

Trade Receivables		81.19	411.01
Allowance for doubtful debts		—	—

Liquidity Risk

The company is exposed to liquidity risk related to its ability to fund its obligations as they become due. The company monitors and manages its liquidity risk to ensure access to sufficient funds to meet operational and financial requirements. The company monitors cash balances daily. In relation to Company's liquidity risk, the company's policy is to ensure, as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions as they fall due while minimizing finance costs without incurring unacceptable losses or risking damage to Company's reputation.

The Company's principle source of liquidity is cash and cash equivalents and the cash flow is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements and accordingly, no risk is perceived.

Financial Liabilities

As at March 31, 2022	Due in 1 year	1-2 years	3-5 years	>5 years
Borrowings	879.21	54.62	368.36	451.72
Trade payables	379.85	—	—	—
Other Financial Liabilities	256.13	—	—	—
Total	1,515.19	54.62	368.36	451.72
As at March 31, 2021				
Financial Liabilities				
Borrowings	1,496.24	57.00	137.56	469.70
Trade payables	344.14	—	—	—
Other Financial Liabilities	127.71	—	—	—
Total	1,968.09	57.00	137.56	469.70

For and on behalf of the Board of Directors of
Veejay Lakshmi Engineering Works Limited

As per our report of even date
For Manohar Chowdhry & Associates
Chartered Accountants, FRN No. 001997S

(SD/-) V.J. JAYARAMAN (SD/-) J. ANAND (SD/-) D. RANGANATHAN (SD/-) V.K. SWAMINATHAN
Chairman Managing Director Whole-Time Director Company Secretary
DIN No:00137340 DIN No: 00137425 DIN No:00137566

M.S.N.M. SANTOSH
Partner
M.No: 221916

Place : Coimbatore
Date : 05.05.2022

**INDEPENDENT AUDITOR'S REPORT****To the Members of Veejay Lakshmi Engineering Works Limited****REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS****Opinion**

We have audited the accompanying Consolidated financial statements of Veejay Lakshmi Engineering Works Limited ("the Company") and its associate company, which comprise the Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the Consolidated profit and Consolidated total comprehensive income, the Consolidated changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
1. Litigations – Contingencies The Company has ongoing litigations with various authorities and third parties which could have a significant impact on the results, if the potential exposures were to materialize. The amounts involved are significant, and the application of accounting standards to determine the amount, if any, to be provided as a liability or disclosed as a contingent liability, is inherently subjective. Claims against the Company not acknowledged as debts are disclosed in the Financial Statements by the Company after a careful evaluation of the facts and legal aspects of the matter involved. The outcome of such litigation is uncertain and the position taken by management involves significant judgment and estimation to determine the likelihood and/or timing of cash outflows and the interpretation of preliminary and pending court rulings. Refer Note. 27 to the Consolidated Financial Statements.	Principal Audit Procedures Performed: Our audit approach was a combination of test of controls and substantive procedures including: <ul style="list-style-type: none"> Assessing the appropriateness of the design and implementation of the Company's controls over the assessment of litigations and completeness of disclosures. We tested the design and operating effectiveness of the Company's key controls over the identification, estimation, monitoring, and accounting/ disclosure of Provisions for disputed matters and contingent liabilities. For Significant cases, where the Company has recognized provision, we assessed the determination of amounts recognized. For cases where provision was not recognized by the Company, we assessed the disclosure made in the financial statements..



CONSOLIDATED FINANCIAL STATEMENTS

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report and Shareholder's Information, but does not include the Consolidated financial statements and our auditor's report thereon.

Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance, Consolidated total comprehensive income, Consolidated changes in equity and Consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the Companies included in the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated financial statements, the respective Board of Directors of the Companies included in the Company are responsible for assessing the Companies' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Company are also responsible for overseeing the Company's financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and



obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of Veejay Sales and Services Limited, an associate whose financial statements reflect the Company's share of net profit after tax of Rs. 0.36 lakhs and share of Comprehensive income of Rs. 6.95 lakhs for the year ended March 31, 2022. These financial statements have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on the reports of the other auditor.

CONSOLIDATED FINANCIAL STATEMENTS

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Consolidated Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid Consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
 - e. On the basis of the written representations received from the directors of the Company as on March 31, 2022 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its associate company incorporated in India, none of the directors of the Company incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Company and its associate company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal controls over financial reporting of those companies.
 - g. With respect to the matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Consolidated financial statements – Refer Note 27 to the Consolidated financial statements;
 - ii. The Company didn't have any long-term contracts including derivative contracts as such the question of commenting on any material foreseeable losses thereon does not arise There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iii. (a) The respective managements of the Company and its associate which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind



of funds by the Company or any of the associates to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The respective managements of the Company and its associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds have been received by the Company or any of such associates from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such associates shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its associate which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- iv. The Company and its associates incorporated in India has not declared or paid any dividend during the year and has not proposed final dividend for the year.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and based on the CARO reports issued by other auditors of the associate, included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports except for the following:

S.No	Name	CIN	Holding company/ subsidiary/ associate/ joint venture	Clause number of the CARO report which is qualified or is adverse
1	Veejay Lakshmi Engineering Works Limited	L29191TZ1974PLC000705	Holding Company	Clause 3(vii)(a), 3(vii)(b) & 3(xvii)

For **MANOHAR CHOWDHRY & ASSOCIATES**

Chartered Accountants

Firm Registration No.: 001997S

(Sd/-) **M.S.N.M. Santosh**

Partner

Membership No. 221916

UDIN: 22221916AJCBPG9746

Place : Coimbatore

Date : May 05, 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in the Independent Auditor's Report of even date to the members of Veejay Lakshmi Engineering Works Limited on the Consolidated Financial Statements for the year ended March 31, 2022

In conjunction with our audit of the Consolidated financial statements of Veejay Lakshmi Engineering Works Limited as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of Veejay Lakshmi Engineering Works Limited (hereinafter referred to as the "Company") and its associate incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and its associate company which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these Consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these Consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting with reference to these Consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting



with reference to these Consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these Consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company and its associate company which are companies incorporated in India, has maintained in all material respects, adequate internal financial controls over financial reporting with reference to these Consolidated financial statements and such internal financial controls over financial reporting with reference to these Consolidated financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated financial statements of the Company, insofar as it relates to associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditor of such associate company incorporated in India".

For **MANOHAR CHOWDHRY & ASSOCIATES**

Chartered Accountants

Firm Registration No.: 001997S

(Sd/-) M.S.N.M. Santosh

Partner

Membership No. 221916

UDIN: 22221916AJCBPG9746

Place : Coimbatore
Date : May 05, 2022



CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31ST MARCH, 2022

Particulars		Note No.	As at 31/03/2022	As at 31/03/2021
			Amount ₹	in lakhs
ASSETS				
I. Non-current Assets				
a) Property Plant and Equipment	2		4,038.31	4,003.89
b) Capital Work in Process	2a		—	3.16
c) Investment Property	3		77.86	88.58
d) Intangible Assets	4		—	—
e) Financial Assets				
(i) Investments	5(a)		311.99	257.93
(ii) Loans and Advances	5(b)		46.34	135.88
f) Deferred Tax Asset Net	6		—	—
g) Other Non Current Assets	7		29.17	176.74
	Total		4,503.67	4,666.18
II. Current Assets				
a) Inventories	8 (a)		2,065.19	1,967.75
b) Financial Assets				
(i) Investments			—	—
(ii) Trade Receivables	8(b)		81.19	411.01
(iii) Cash and Cash equivalents	8(c)		40.32	15.37
(iv) Bank balances other than iii above	8(d)		38.47	36.46
(v) Loans and Advances	8(e)		1.05	5.14
c) Other current assets	9		461.88	277.53
d) Current Tax Assets (Net)			4.69	13.28
	Total		2,692.79	2,726.54
	TOTAL ASSETS		7,196.46	7,392.72
EQUITY AND LIABILITIES				
I. Equity				
a) Equity Share Capital	10		507.19	507.19
b) Other Equity	11		3,827.84	3,683.62
	Total Equity		4,335.03	4,190.81
Liabilities				
II. Non Current Liabilities				
a) Financial Liabilities				
Borrowings	12		1,235.35	964.26
b) Gratuity/Leave Salary Provisions	13		62.94	63.77
	Sub total		1,298.29	1,028.03
III. Current Liabilities				
a) Financial Liabilities				
(i) Short term Borrowings	14 (a)		518.56	1,196.24
(ii) Trade Payables				
a) Dues to Micro and Small Enterprises	14(b)		322.42	—
b) Dues to Creditors other than Micro and Small Enterprises	14(b)		57.43	344.14
(iii) Other Financial Liabilities	14(c)		256.13	127.71
b) Other Current Liabilities	15		368.23	474.46
c) Provisions	16		40.37	31.33
	Sub total		1,563.14	2,173.88
	TOTAL LIABILITIES		7,196.46	7,392.72

Significant Accounting Policies

Notes to the Financial Statements

The accompanying Notes form an integral part of the Consolidated Financial Statements

For and on behalf of the Board of Directors of
Veejay Lakshmi Engineering Works LimitedAs per our report of even date
For Manohar Chowdhry & Associates
Chartered Accountants, FRN No. 001997S

(SD/-) V.J. JAYARAMAN Chairman	(SD/-) J. ANAND Managing Director	(SD/-) D. RANGANATHAN Whole-Time Director	(SD/-) V.K. SWAMINATHAN Company Secretary
DIN No:00137340	DIN No: 00137425	DIN No:00137566	

M.S.N.M. SANTOSH
Partner
M.No: 221916

Place : Coimbatore
Date : 05.05.2022



STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2022

Particulars	Note No.	For the year ended 31.03.2022	For the year ended 31.03.2021
INCOME			
Amount ₹ in Lakhs			
I. Revenue from operations	17	7,494.61	5,131.73
II. Other Income	18	87.35	45.66
III. Total Income (I+II)		7,581.96	5,177.39
IV. EXPENSES			
Cost of Materials consumed	19	5,509.87	3,267.90
Purchase of Traded goods		—	—
Changes in Inventories of Finished goods, Work-in process and Stock in trade	20	(720.25)	43.65
Employee Benefits Expense	21	1,038.54	778.38
Finance Costs	22	194.57	151.73
Depreciation and amortization expenses	2, 3 & 4	264.23	244.02
Other expenses	23	1,211.44	990.02
Total Expenses (IV)		7,498.40	5,475.70
V. Profit/(Loss) before exceptional items and tax (III-IV)		83.56	(298.31)
VI. Exceptional items (income+), expenses(-)		—	—
VII. Profit before Tax after exceptional items (V-VI)		83.56	(298.31)
VIII. Tax Expense :			
Current Tax		—	—
Current tax for prior period		—	16.83
Deferred Tax		(15.71)	(20.24)
IX. Profit and Loss for the YEAR from continuing operations (VII-VIII)		99.27	(294.90)
X. Share of profit/(loss) of an associate		0.36	(2.81)
XI. Other comprehensive income			
A. Items that will not be reclassified to Profit or Loss			
1. Changes in Fair value of FVTOCI equity instruments		46.75	72.94
1.a. Deferred-tax relating to above		(13.01)	(20.29)
2. Remeasurement of post-employment defined benefit plans +(income)/-(expense)		6.60	1.34
2.a. Deferred-tax relating to above		(1.84)	(0.37)
B. Items that will be reclassified to Profit and Loss			
1. Forex Cash Flow Hedging		3.08	(1.51)
1.a. Deferred-tax relating to above		(0.86)	0.42
Share of other Comprehensive Income in Associates		6.95	2.02
Total Other Comprehensive income for the year		47.67	54.55
XII. Total Comprehensive income for the year		147.30	(243.16)
Earnings per share for Continuing operation			
Basic		1.96	(5.81)
Diluted	28	0.71	(2.10)

There is no discontinued operation and hence there is no profit/loss or EPS relating to the same

Significant Accounting Policies

1

Notes to the Financial Statements

2-34

The accompanying Notes form an integral part of the Consolidated Financial Statements

For and on behalf of the Board of Directors of
Veejay Lakshmi Engineering Works Limited

As per our report of even date
For Manohar Chowdhry & Associates
Chartered Accountants, FRN No. 001997S

(SD/-) V.J. JAYARAMAN (SD/-) J. ANAND (SD/-) D. RANGANATHAN (SD/-) V.K. SWAMINATHAN
Chairman Managing Director Whole-Time Director Company Secretary
DIN No:00137340 DIN No: 00137425 DIN No:00137566

M.S.N.M. SANTOSH
Partner
M.No: 221916

Place : Coimbatore
Date : 05.05.2022



CONSOLIDATED FINANCIAL STATEMENTS

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

₹ in lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
I. Cash Flows from Operating Activities		
Net profit before taxation and extraordinary item	83.56	(298.31)
Adjustments for:		
Depreciation and amortisation expense	264.23	244.02
Allowance for doubtful debts	—	—
Finance expenses (considered separately)	194.57	151.73
Interest income (considered separately)	(11.68)	(12.98)
Dividend Income	(0.13)	(0.15)
Unrealised foreign exchange fluctuation loss/(gain), net	(0.90)	(7.79)
(Profit)/loss on sale of Property, Plant & Equipment (net)	(39.53)	(0.15)
Profit on sale of Investments	—	—
Operating profit before working capital changes	406.56	374.68
Working capital changes:		
(Increase)/Decrease in Trade receivables	329.82	5.37
(Increase)/Decrease in Inventories	(97.44)	(104.78)
Increase/(Decrease) in Loans	4.09	1.82
(Increase)/Decrease in other current assets	(184.35)	(134.76)
(Increase)/Decrease in other financial Assets	—	—
Increase/(Decrease) in trade payables	35.71	(631.30)
(Increase)/Decrease in Non current Assets	147.57	(135.55)
Increase/(Decrease) in other financial liabilities	110.37	37.32
Increase/(Decrease) in other current liabilities	(106.23)	225.99
Increase/(Decrease) in Advances	89.54	27.20
Increase/(Decrease) in provisions	14.81	0.52
Cash generated from operations	750.45	(333.49)
Tax (paid)/refund received	8.59	19.30
Net cash provided by operating activities	(A) 842.60	(612.50)
II. Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment	(291.36)	(96.93)
Sale proceeds of Property, Plant and Equipment	46.12	0.15
Interest income received	11.68	12.98
Amount Invested in Fixed Deposit	(2.01)	(17.26)
Proceeds from Investments	—	—
Dividend Income Received	0.13	0.15
Net cash used in investing activities	(B) (235.44)	(100.91)
III. Cash Flows from Financing Activities		
Interest paid	(176.52)	(149.53)
Increase/(decrease) in short-term borrowings	(677.68)	631.68
Proceeds from long-term borrowings	271.09	235.66
Net cash provided by financing activities	(C) (583.11)	717.81
Effect of exchange differences on translation of cash and cash equivalents	(D) 0.90	7.79
Net increase/(decrease) in cash and cash equivalents during the year	(A)+(B)+(C)+(D) 24.95	12.19
Cash and cash equivalents at the beginning of the year	15.37	3.18
Cash and cash equivalents at the end of the year	40.32	15.37
IV. Significant Accounting Policies	1	
Notes to financial statements	(2-34)	

The accompanying Notes form an integral part of the Consolidated Financial Statements

Notes: 1. Figures in brackets represent out flows of cash and cash equivalents

As per our report of even date

For and on behalf of the Board of Directors of
Veejay Lakshmi Engineering Works LimitedFor Manohar Chowdhry & Associates
Chartered Accountants, FRN No. 001997S

(SD/-) V.J. JAYARAMAN Chairman DIN No:00137340	(SD/-) J. ANAND Managing Director DIN No: 00137425	(SD/-) D. RANGANATHAN Whole-Time Director DIN No:00137566	(SD/-) V.K. SWAMINATHAN Company Secretary
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M.S.N.M. SANTOSH Partner M.No: 221916

Place : Coimbatore
Date : 05.05.2022

Consolidated Statement of Changes in Equity for the year ended 31st March 2021

Amount in ₹ Lakhs

Particulars	Equity Share Capital	Reserves and Surplus				Equity Component of Compound Financial Instrument	Equity Instruments through Other Comprehensive Income	Items of Other Comprehensive Income	Cash Flow hedge	Total
		General Reserve	Capital Reserve	Securities premium	Retained Earnings					
Balance at the beginning of the Previous reporting period (01.04.2020)	507.19	3,599.49	100.82	2,116.43	(2,626.84)	716.87	31.47	(12.97)	-	4,432.46
Changes due to prior period items	-	-	-	-	-	-	-	-	-	-
Restated Balance at the beginning of reporting Period (01.04.2020)	507.19	3,599.49	100.82	2,116.43	(2,626.84)	716.87	31.47	(12.97)	-	4,432.46
Profit for the year	-	-	-	-	(297.71)	-	-	-	-	(297.71)
Remeasurement of net defined benefit Liability/Asset (net)	-	-	-	-	-	-	-	0.97	-	0.97
Changes in fair value of equity instruments through FVTOCI [net of tax]	-	-	-	-	-	-	-	-	-	54.67
Cash flow hedges (Net of taxes)	-	-	-	-	-	-	-	(1.09)	-	(1.09)
Cash flow hedge reserve	-	-	-	-	-	-	-	-	1.51	1.51
Total Comprehensive Income	-	-	-	-	(297.71)	-	54.67	(0.12)	1.51	(241.65)
Transfer to Reserves	-	-	-	-	-	-	-	-	-	-
Balance at the end of reporting Period (31.03.2021)	507.19	3,599.49	100.82	2,116.43	(2,924.55)	716.87	86.14	(13.09)	1.51	4,190.81

Consolidated Statement of Changes in Equity for year ended 31st March, 2022

Particulars	Equity Share Capital	Reserves and Surplus				Equity Component of Compound Financial Instrument	Equity Instruments through Other Comprehensive Income	Items of Other Comprehensive Income	Cash Flow hedge	Total
		General Reserve	Capital Reserve	Securities premium	Retained Earnings					
Balance at the beginning of the current reporting period (01.04.2021)	507.19	3599.49	100.82	2116.43	(2,924.55)	716.87	86.14	(13.09)	1.51	4,190.81
Changes due to prior period items	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of reporting Period (01.04.2021)	507.19	3,599.49	100.82	2,116.43	(2,924.55)	716.87	86.14	(13.09)	1.51	4,190.81
Profit for the year	-	-	-	-	99.63	-	-	-	-	99.63
Remeasurement of net defined benefit Liability/Asset (net)	-	-	-	-	-	-	-	4.76	-	4.76
Changes in fair value of equity instruments through FVTOCI [net of tax]	-	-	-	-	-	-	-	-	-	40.69
Cash flow hedges (Net of taxes)	-	-	-	-	-	-	-	-	-	2.22
Cash flow hedge reserve	-	-	-	-	-	-	-	-	(3.08)	(3.08)
Total Comprehensive Income	-	-	-	-	99.63	-	40.69	6.98	(3.08)	144.22
Transfer to Reserves	-	-	-	-	-	-	-	-	-	-
Balance at the end of reporting Period (31.03.2022)	507.19	3,599.49	100.82	2,116.43	(2,824.92)	716.87	126.83	(6.11)	(1.57)	4,335.03

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(2-34)

Significant Accounting Policies

Notes to the Financial Statements

The accompanying Notes form an integral part of the Consolidated Financial Statements

As per our report of even date

For Manohar Chowdhry & Associates

Chartered Accountants, FRN No. 001997S

M.S.N.M. Santosh

Partner

M.No. 221916

(Sd/-) V.J. JAYARAMAN (Sd/-) J. ANAND (Sd/-) D. RANGANATHAN (Sd/-) V.K. SWAMINATHAN

Chairman Managing Director Whole-Time Director Company Secretary

Place : Coimbatore

Date : 05.05.2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts are in ₹ lakhs, unless otherwise stated)

1. CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES**1. Corporate Information**

Veejay Lakshmi Engineering Works Limited is a public company incorporated in India under the provisions of the Companies Act, 1956. Its shares are listed on the Bombay Stock Exchange [BSE]. The principal place of business is Coimbatore. The Company manufactures Textile machinery used in post spinning operations and also has a textile unit producing yarn and knitted fabrics. The products are sold in both domestic and international markets. The financial statements are approved for issue by the Company's Board of Directors on 05th may, 2022.

2. Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013. Upto the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which included Standards notified under the Companies (Accounting Standards) Rules, 2006.

3. Basis of preparation of financial statements

The financial statement are prepared on accrual basis of accounting under historical cost convention except as otherwise provided in policy and in accordance with Indian Accounting Standard (Ind-AS) as notified by Ministry of Corporate Affairs under companies (Indian Accounting Standards) Rules, 2015 and guidelines issued by the Securities and Exchange Board of India (SEBI) and subsequent amendments thereof as well as with the additional requirements applicable to the financial statements as set forth in the companies Act. All items having material bearing on the financial statements are recognised on the accrual basis.

4. Basis of Consolidation

The Consolidated Financial Statements comprise the financial statements of Veejay Lakshmi Engineering Works Limited and its associate (the Company and its associate constitute "the Group"). Investments in Associates are dealt in accordance with Indian Accounting Standard IND AS 28 'Investments in Associates and Joint Ventures'. An associate is an entity over which the company has significant influence.

The financial statements of the Group companies are consolidated by way of Equity method wherein the carrying amount of investment in associate is adjusted for the post-acquisition change in investor's share of Investees net assets. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income.

The financial statements of the associate company used in consolidation are drawn up to the same reporting period as of the company i.e., 31.03.2022.

5. Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities that are measured at fair values.

Items	Measurement Basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/liability	Fair value of plan assets less present value of defined benefit obligation

Measurement of Fair Values

A number of Company's accounting policies and disclosures require a measurement of their fair value, for both financial and non-financial assets and liabilities

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

(All amounts are in ₹ lakhs, unless otherwise stated)

The Company has an established control framework with respect to the measurement of fair values. This includes periodic review of all significant fair value measurement, including level 3 fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes has occurred.

Further information about the assumptions made in measuring fair values is included in the Other Notes to Accounts.

6. Use of estimates and judgment

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amount of assets, liabilities expenses and revenue during the reporting period. Although such estimates and assumptions are made on reasonable and prudent basis taking into all possible information, actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognized in the period in which the estimates are revised.

Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements are valuation of defined benefit obligations, and provisions and contingent liabilities, impairment of trade receivables.

a) Impairment of Trade Receivables:

The company estimates the credit allowance as per practical expedient based on historical credit loss experience.

b) Provisions:

Provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. The policy for the same has been explained under Note: 14 of Significant Accounting policies

7. Functional and Presentation Currency

These Financial Statements are presented in Indian Rupees, which is also company's functional currency. All the amounts have been rounded off to the nearest rupee, unless otherwise indicated.

8. Property, plant and Equipments and Intangible Assets

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and impairment loss, if any. Such costs comprises of purchase price and any directly attributable cost of bringing the assets to its working condition for intended use and also include any estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts are in ₹ lakhs, unless otherwise stated)

The company depreciates property, plant & equipment using the straight line method on an estimated life as prescribed in Schedule II to the Companies act, 2013.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are stated at cost less accumulated amortization and impairment if any.

The estimated useful lives and residual values of the Property, Plant & Equipment and Intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of Property, Plant & Equipment and intangible assets is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant & Equipment and intangible assets are determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the profit or loss. Advance paid towards the acquisition of property, plant & equipment outstanding at each Balance sheet date is classified as capital advance under other non-current assets.

9. Impairment of Assets**Financial Assets:**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. IND AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Non-Financial Assets:

Property, Plant and Equipment and Other Intangible Assets- the Company reviews at each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit & loss.

10. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Property, plant and equipment and Intangible assets are not depreciated or amortized once classified as held for sale.

11. Investment Property

Investment property is property held in the form of land/building which is mainly held for the purpose of capital appreciation, but not for sale in the ordinary course of business. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less impairment losses, if any. An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

(All amounts are in ₹ lakhs, unless otherwise stated)

(calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

12. Borrowing Cost

Borrowing Cost specifically identified to the acquisition or construction of qualifying assets is capitalized as part of cost of such assets up to the period the project is commissioned or asset is put to use. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. The borrowing cost incurred on common funds borrowed generally and used for the purpose of obtaining the qualifying assets, is apportioned on rational basis, the remaining borrowing costs are charged to the Statement of Profit and Loss. Income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Finance cost-Interest expense is recognised using Effective interest rate method.

13. Revenue Recognition

- a. Revenue from Sale transaction is recognised when the risks and rewards ain the goods sold are transferred to buyer for a definite consideration.
- b. Revenue from Service transactions is recognized based on service completed and billed to clients as per the terms of specific contract.
- c. Interest: Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- d. Dividend Income is recognized when the company's right to receive is established.
- e. Export Incentives under Duty Drawback scheme are recognized when the right to receive payments is established and there is no uncertainty regarding the amount of consideration or its collectability.

14. Employee Benefits

Employee benefits include salaries, wages, provident fund, gratuity, leave encashment, compensate absences and retirement benefits.

Short-term employee benefits

Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized undiscounted during the period employee renders services. These benefits include remuneration, bonus, incentives, etc.

Long-term employee benefits**Defined contribution plans**

Retirement benefit plans in the form of Provident Fund are charged as an expense on an accrual basis when employees have rendered the service.

Defined benefit plans

Defined benefit plans comprises of Gratuity. For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Re-measurement, comprising actuarial gains and losses and the effect of the changes to the asset ceiling (if applicable), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur and consequently recognised in retained earnings and is not reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts are in ₹ lakhs, unless otherwise stated)

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

Other long term employee benefits

Other long term employee benefit comprises of leave encashment. The leave benefits are recognized based on the present value of defined obligation which is computed using the projected unit credit method, with actuarial valuations being earned out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

15. Provisions and Contingent Liabilities

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of past event, it is probable that the company will be required to settle the obligation and reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of reporting period, taking into the account the risks and uncertainties surrounding the obligation. When provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of time value money is material).

Contingent liabilities are disclosed in the financial statements by way of notes to accounts, unless possibility of an outflow resources embodying economic benefit is remote. Contingent Liabilities are possible obligations that arises from past events and whose existence will be confirmed only when occurrence or non-occurrence of one or more future events not wholly within the control of the company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably the obligations are disclosed as a contingent liabilities, unless the probability of outflow of economic benefits is remote. Contingent assets are not recognized but disclosed in the financial statements when an inflow of economic benefits is probable.

16. Foreign Currency Transactions

The Company translates all foreign currency transactions at Exchange Rates prevailing on the date of transactions. Exchange rate differences resulting from foreign exchange transactions settled during the year are recognized as income or expenses in the period in which they arise. Monetary current assets and monetary current liabilities that are denominated in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognized in the profit and loss account.

17. Taxes on Income

Income Tax expense comprises current tax and deferred tax.

Current Tax

Current Tax is the expected tax payable on taxable income for the year, using tax rates (tax laws) enacted or substantively enacted by the end of reporting period and includes adjustment on the account of tax in respect of previous year.

Deferred Tax

Deferred tax is recognized using balance sheet method, providing for temporary difference between the carrying amount of asset or liability in the balance sheet and its tax base. Deferred tax is measured at the rate that are expected to apply when the temporary differences are either realized or settled, based on the laws that have been enacted or substantively enacted by the end of reporting period. A deferred tax asset is recognized to the extent that it is probable that future

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

(All amounts are in ₹ lakhs, unless otherwise stated)

taxable profit will be available against which the temporary difference can be utilized. The carrying amount of Deferred tax assets are reviewed at each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Minimum alternate tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of MAT credit is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

Current and Deferred Tax for the year

Income tax expense is recognized in the statement of profit or loss account except to the extent that it relates to items recognized in other comprehensive income.

18. Financial Instruments

Financial assets and financial liabilities are recognized when Company becomes a party to the contractual provisions of the Instruments.

Financial assets and financial liabilities are initially measured at fair value, except when the effect is immaterial. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of profit and loss.

Financial Assets**Cash and cash equivalents**

The company considers all highly liquid financial Instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturity of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of cash on hand and cash balances with banks which are unrestricted for withdrawal and usage.

Financial Asset at amortised cost

Financial assets are subsequently measured at amortized cost using the effective interest method, except when the effect of applying it is immaterial, if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company, on initial application of IND AS 109 Financial Instruments, has made an irrevocable election to present subsequent changes in fair value of equity instruments not held for trading in other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are measured at fair values at the end of each reporting period, with any gains or losses arising on re-measurement recognized in Profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts are in ₹ lakhs, unless otherwise stated)

Derivative financial instruments and hedge accounting

The Company uses foreign currency forward contracts / options to hedge its risks associated with foreign Currency fluctuations relating to certain forecasted transactions. The Company designates some of these forward contracts / options as hedge instruments and account for as cash flow hedges applying the recognition and measurement principles set out in the Ind AS 109.

The counter party to the Company's foreign currency forward contracts is generally a bank. The Company does not use derivative financial instruments for speculative purposes. Foreign currency forward contract/option derivative instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in other comprehensive income and accumulated under effective portion of cash flow hedges. Amounts previously recognised in other comprehensive income and accumulated in effective portion of cash flow hedges are reclassified to the Statement of Profit or Loss in the same period in which gains/losses on the item hedged are recognised in the Statement of Profit or Loss. However when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in effective portion of cash flow hedges are transferred from effective portion of cash flow hedges and included in the initial measurement of the cost of the nonfinancial asset or non-financial liability. Profit or loss arising on cancellation or renewal of a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal occurs. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the Statement of Profit and Loss as they arise.

Impairment of Financial assets

The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

De-recognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On de-recognition of a financial asset in its entirety, (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in statement of profit and loss.

FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS**Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities at amortized cost

Financial liabilities are subsequently measured at amortized cost using the effective interest method, except when the effect of applying it is immaterial.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue cost.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

(All amounts are in ₹ lakhs, unless otherwise stated)

De-recognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged. Cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Effective interest method

The effective Interest method is a method of calculating the amortized cost of a debt Instrument and of allocating interest Income over the relevant period. The effective Interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial Guarantee contracts

Financial guarantee contracts issued by the Company are initially measured at fair value and subsequently measured at the higher of the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18 Revenue.

19. Inventories

Inventories are valued at lower of cost and net realisable value after providing for obsolescence wherever necessary. Cost is determined on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

20. Statement of Cash Flows

Cash Flows are reported using indirect method, whereby profit/(loss) before tax is adjusted for the effect of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing of financing cash flows from operating , investing and financing activities of the company are segregated.

21. Leases**Operating lease**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term except where the increment in lease rentals is in line with general rate of inflation.

22. Earnings Per Share

Basic Earnings per share are computed by dividing the profit/loss after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing profit/loss after tax as adjusted for dividend, interest and other charges to expense or income relating dilutive potential equity share, by the weighted number of equity shares considered for deriving basic earnings per shares and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity.

23. Current vs Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

1. Expected to be realised or intended to be sold or consumed in normal operating cycle, or
2. Held primarily for the purpose of trading, or

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts are in ₹ lakhs, unless otherwise stated)

3. Expected to be realised within twelve months after the reporting period, or
4. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

1. It is expected to be settled in normal operating cycle, or
2. It is held primarily for the purpose of trading, or
3. It is due to be settled within twelve months after the reporting period, or
4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

24. Segment Reporting

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group's other components, and for which discrete financial information is available.

Operating Segments are identified based on the nature of products and services. For reporting, the business has been split into two segments-Engineering and Textiles.

25. Accounting policy on revenue recognition

The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' with the date of initial application being April 1, 2018. Ind AS 115 establishes a comprehensive framework on revenue recognition. Ind AS 115 replaces Ind AS 18 'Revenue' and Ind AS 11 'Construction Contracts'.

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts. Revenue is recognised on the basis of despatches in accordance with the terms of sale when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of the goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably. The timing of transfers of risk and rewards varies depending on the individual terms of sale.

Revenue from services is recognized in accordance with the specific terms of contract on performance.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend Income is recognized when the company's right to receive is established.

Export Incentives under Duty Drawback scheme are recognized when the right to receive payments is established and there is no uncertainty regarding the amount of consideration or its collectability.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

(All amounts are in ₹ lakhs, unless otherwise stated)

2. Property, Plant and Equipment
3. Investment Property
4. Intangible assets
5. Financial Assets: Non Current
- 5(a) Investments

Please refer to the respective notes in the Stand
Alone Financial statements attached

Name of the Coy / Security	As at 31.3.2022		As at 31.3.2021	
	Qty	Amount	Qty	Amount
Quoted Investments-fully paid up (A)				
Investments in Equity Instruments				
M/s Lakshmi Machine Works Limited	1,500	144.27	1,500	101.84
M/s Precision Fasteners Limited	10,000	—	10,000	—
M/s IFCI Limited	200	0.02	200	0.02
State Bank of India	3,340	16.49	3,340	12.17
Unquoted Investments-fully paid up (B)				
M/s Veejay Sales and Services Limited	13,100	151.21	13,100	143.90
Total		311.99		257.93
Total Non-Current Investments				
Aggregate amount of quoted investments and market value		160.78		114.03
Aggregate amount of unquoted investments		151.21		143.90
Aggregate amount of Impairment in value of Investments		—		—
Total		311.99		257.93
Category wise Investments-as per IND AS 109 classification				
Financial Assets carried at Fair value through Profit or Loss (FVTPL)				
Financial Assets carried at Amortised cost		151.21		143.90
Financial Assets carried at Fairvalue through Other comprehensive Income (FVTOCI)		160.78		114.03
Total		311.99		257.93

- 5(b) Loans
6. Deferred Tax
7. Other non current assets
- 8(a) Inventories
- 8(b) Trade Receivables
- 8(c) Cash and cash equivalents
- 8(d) Bank balances other than (iii) above
- 8(e) Loans
9. Other current assets
10. Equity share capital

Please refer to the respective notes in the Stand
Alone Financial statements attached

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts are in ₹ lakhs, unless otherwise stated)

11. Other Equity

Particulars	31-Mar-22	31-Mar-21
i) Securities Premium Account	2,116.43	2,116.43
ii) Retained Earnings		
Opening	(2,924.55)	(2,626.84)
Add: Current year surplus	99.63	(297.71)
Closing	(2,824.92)	(2,924.55)
iii) Reserve for Equity instruments and others through Other Comprehensive Income		
Opening	73.05	18.50
Movement in OCI (Net) during the year	47.67	54.55
Closing	120.72	73.05
iv) Equity Component of compound Financial Instrument		
Opening	716.87	716.87
Movements during the year	—	—
Closing	716.87	716.87
v) General Reserve		
Opening	3,599.49	3,599.49
Additions During the year	—	—
Closing	3,599.49	3,599.49
vi) Capital Reserve		
Opening	100.82	100.82
Current year addition/deletion	—	—
Closing	100.82	100.82
vii) Cash flow hedge reserve		
Opening	1.51	—
Current year addition/deletion	(3.08)	1.51
Closing	(1.57)	1.51
Total Other Equity	3,827.84	3,683.62

Please refer to the respective notes in the Stand Alone Financial statements for the following:

12. Borrowings
13. Provisions
- 14(a). Borrowings
- 14(b). Trade payables
- 14(c). Other financial liability
15. Other current liabilities
16. Provisions
17. Revenue from operations
18. Other Income

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

(All amounts are in ₹ lakhs, unless otherwise stated)

19. **Cost of Materials consumed**
20. **Changes in Inventories of Finished goods, Work-in process and Stock in trade**
21. **Employee Benefits Expense**
22. **Finance Costs**
23. **Other expenses**
24. **Payments to Auditors**
25. **As defined under Micro, small and Medium Enterprises Development Act 2006, the disclosure in respect of the amount payable to such enterprises as at 31.03.2022 has been made in the financial statements based on information received and available with the company.**

26. Reconciliation of effective tax rate

Particulars	31/03/2022	31/03/2021
(i) Profit/ (Loss) before tax	83.92	(301.12)
Enacted tax rate	27.82%	27.82%
Computed expected tax expenses	23.35	—
(ii) Tax effects of amounts which are not deductible(taxable) in calculating taxable income	109.52	108.92
Tax effects of amounts which are deductible in calculating taxable income	(108.84)	(84.09)
Tax effects of due to adjustment of losses (-current/brought forward)	(24.03)	(24.83)
Effective tax rate	—	—

27. Contingent liabilities and Capital Commitments

(Please refer to the respective notes in the Stand Alone Financial statements)

28. Earnings Per Share

Particulars	For the year ended 31-3-2022	For the year ended 31-3-2021
Profit after taxation	99.27	(294.90)
Equity shares outstanding at the end of the year (In No.'s)	5,071,900	5,071,900
Weighted average number of Equity shares outstanding during the year	5,071,900	5,071,900
Earnings per share (Basic) (In Rs)	1.96	(5.81)
Earnings per share(Diluted) (In Rs)	0.71	(2.10)
Nominal value per share (Rs)	10.00	10.00

29. **Figures have been rounded off to Rs. In lakhs and previous year figures have been regrouped / rearranged wherever necessary.**

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts are in ₹ lakhs, unless otherwise stated)

30 Segment information

Primary segment information (business segments)

Particulars	2021-22					2020-21				
	Engineering	Textile	Unallocated	Inter Segment eliminations	Total	Engineering	Textile	Unallocated	Inter Segment eliminations	Total
a) Revenue	1,912.66	5,581.95	–	–	7,494.61	1,085.70	4,046.03	–	–	5,131.73
b) Inter Segment sales	–	–	–	–	–	–	–	–	–	–
Total Revenue	1,912.66	5,581.95			7,494.61	1,085.70	4,046.03			5,131.73
c) Result	(169.19)	471.88	–	–	302.69	(238.17)	122.96	–	–	(115.21)
Add: Unallocated income (net of expenditure)	–	–	–	–	(24.56)	–	–	–	–	(31.37)
Profit before interest and tax	–	–	–	–	278.13	–	–	–	–	(146.58)
Interest	12.64	181.93	–	–	194.57	17.25	134.48	–	–	151.73
Profit before tax	–	–	–	–	83.56	–	–	–	–	(298.31)
Tax expenses	–	–	–	–	–	–	–	–	–	–
– Current tax	–	–	–	–	–	–	–	–	–	16.83
– Deferred tax	–	–	–	–	(15.71)	–	–	–	–	(20.24)
– Total	–	–	–	–	(15.71)	–	–	–	–	(3.41)
Profit for the year	–	–	–	–	99.27	–	–	–	–	(294.90)
c) Assets	1,761.64	4,740.52	–	–	6,502.16	1,274.06	5,484.66	–	–	6,758.72
Add: Unallocated corporate assets	–	–	–	–	694.30	–	–	–	–	634.00
Total assets	–	–	–	–	7,196.46	–	–	–	–	7,392.72
d) Liabilities	1,060.56	1,798.87	–	–	2,859.43	723.17	2,476.74	–	–	3,199.91
Add: Unallocated corporate liabilities	–	–	–	–	2.00	–	–	–	–	2.00
Total liabilities	–	–	–	–	2,861.43	–	–	–	–	3,201.91
e) Capital assets acquired during the year	28.99	265.53	–	–	294.52	10.56	441.83	–	–	452.39
f) Depreciation, impairment and amortisation	40.99	211.11	12.13	–	264.23	40.06	191.83	12.13	–	244.02
g) Other non-cash charges except depreciation, impairment and amortisation	–	–	–	–	–	–	–	–	–	–

Revenue from Engineering division is on account of sales of textile machinery and spares and the textile division revenue is on account of cotton yarn and fabrics. Approximately INR Rs.2430.48 lakhs has been realised from exports (Engineering Division Rs.570.74 lakhs and Textile Division Rs.1859.74 lakhs). Previous year Total exports Rs.2832.43 lakhs. (Engineering Division Rs. 60.77 lakhs and Textile Division Rs.2771.66 lakhs). There is one customer contributing individually to 19% of total revenue in 2021-22-Rs.1451.46 lakhs The largest turnover to a single customer is Rs. 1994.55 lakhs in previous year.

Reconciliations to amounts reflected in the financial statements

Reconciliation of profit	31-Mar-22	31-Mar-21
Segment profit	302.69	(115.21)
Dividend Income	0.13	0.15
Net gain on disposal of property, plant and equipment	–	–
Income from Investments	–	–
Net foreign exchange gains	–	–
Depreciation on Corporate Assets	(12.13)	(12.13)

	31-Mar-22	31-Mar-21
Other Expenses-Audit fees stationery, Professional Charges etc.,	(24.24)	(32.37)
Income from Investment Property (net of expenses)	–	–
Interest Income	11.68	12.98
Profit before interest and tax	278.13	(146.58)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts are in ₹ lakhs, unless otherwise stated)

Reconciliation of assets	31-Mar-22	31-Mar-21
Segment operating assets	6,502.16	6,758.72
Corporate Assets - Property & Investments	610.82	568.89
Cash and Cash equivalents	78.79	51.83
TDS / MAT receivable	4.69	13.28
Total assets	7,196.46	7,392.72

Reconciliation of liabilities	31-Mar-22	31-Mar-21
Segment operating liabilities	2,859.43	3,199.91
Other Current Liabilities	2.00	2.00
Total liabilities	2,861.43	3,201.91

31 RELATED PARTY DISCLOSURES

32 IND AS 19 Disclosure of Employee Benefits

(Please refer to the respective notes in the Stand Alone Financial statements attached)

33. Additional Information, as required under Schedule III to the Companies Act, 2013 of entities Consolidated as Subsidiaries, Associates and Jointly Controlled Entity.

Name of the Entity	Net assets i.e., total assets minus total liabilities		Share in Profit or Loss				
			31-03.2022				
	As % of Consolidated Net Assets	Amount	As % of Consolidated Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	
PARENT							
Veejay Lakshmi Engineering Works Limited	31.03.2022	97%	4,185.13	100%	99.27	85%	40.72
	31.03.2021	97%	4,048.22	99%	(294.90)	96%	52.53
ASSOCIATES							
VEEJAY SALES AND SERVICES LIMITED	31.03.2022	3%	149.90	0%	0.36	15%	6.95
	31.03.2021	3%	142.59	1%	(2.81)	4%	2.02
Total	31.03.2022	100%	4,335.03	100%	99.63	100%	47.67
	31.03.2021	100%	4,190.81	100%	(297.71)	100%	54.55

Interest in Other Entities

a) Associates

The group's Associates at 31st March, 2022 are set out below. Unless otherwise stated, they have Share capital consisting solely of equity share capital that are directly held by the group, and the proportion of ownership interests held equals to the voting right held by the group.

Name of the Entity	Principal Place of Business	Ownership Interest held by the group		Principal Activities
		31-Mar-22	31-Mar-21	
Veejay Sales And Service Limited	Coimbatore, Tamilnadu	26.20%	26.20%	Windmill Power Generation

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts are in ₹ lakhs, unless otherwise stated)

34. Financial Instruments Risk and review

Financial Instruments

The carrying value and fair value of financial instruments by categories as of March 31, 2022 is as follows:

Particulars	Fair Value through P&L	Fair Value through Comprehensive Income	Amortised Cost	Total Carrying Amount
Assets:				
Cash and Cash Equivalents	–	–	40.32	40.32
Other Balances with Bank	–	–	38.47	38.47
Trade receivables	–	–	81.19	81.19
Loans	–	–	47.39	47.39
Investments	–	160.78	151.21	311.99
Other Financial Assets	–	–	–	–
Total	–	160.78	358.58	519.36
Liabilities				
Trade and Other Payables	–	–	379.85	379.85
Borrowings	–	–	1,753.91	1,753.91
Other Financial Liabilities	–	–	256.13	256.13
Total	–	–	2,389.89	2,389.89

The carrying value and fair value of financial instruments by categories as of March 31, 2021 is as follows:

Particulars	Fair Value through P&L	Fair Value through Comprehensive Income	Amortised Cost	Total Carrying Amount
Assets:				
Cash and Cash Equivalents	–	–	15.37	15.37
Other Balances with Bank	–	–	36.46	36.46
Trade receivables	–	–	411.01	411.01
Loans	–	–	141.02	141.02
Investments	–	114.03	143.90	257.93
Other Financial Assets	–	–	–	–
Total	–	114.03	747.76	861.79
Liabilities				
Trade and Other Payables	–	–	344.14	344.14
Borrowings	–	–	2,160.50	2,160.50
Other Financial Liabilities	–	–	127.71	127.71
Total	–	–	2,632.35	2,632.35

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

(All amounts are in ₹ lakhs, unless otherwise stated)

Fair Value Hierarchy:

The following table shows the levels in the fair value hierarchy as the end of reporting period.

	As at March 31, 2022	As at March 31, 2021
Assets		
Investments	Level 1	Level 1
Liabilities		
Borrowings-Optionally convertible loan	Level 2	Level 2

Financial Risk Management Objectives and Policies

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

The company is exposed to the following risks from its use of financial instruments

- Market Risk
- Credit Risk
- Liquidity Risk

The company's Board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This note presents information about the risks associated with its financial instruments, the company's objectives, policies and processes for measuring and managing risk, and the Company's management of Capital.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

a) Foreign Currency Exchange Rate Risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. The risks primarily relate to fluctuations in US Dollar, Euro, Great Britain Pound, and Australian Dollar against the respective functional currencies of Veejay Lakshmi Engineering Works Limited

The following analysis has been worked out based on the net exposures for Veejay Lakshmi Engineering Works Limited as of the date of statements of financial position which could affect the Statements of profit or loss and other comprehensive income and equity.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary Liabilities at the end of the reporting period are as follows:

	USD	EURO	JPY	GBP
As at March 31, 2022				
Financial Assets				
Trade receivables	75.66	—	—	—
Total	75.66	—	—	—

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts are in ₹ lakhs, unless otherwise stated)

Financial Liabilities				
Trade Payables	72.07	—	—	—
Total	72.07	—	—	—
As at March 31, 2021				
Financial Assets				
Trade receivables	245.87	—	—	—
Total	245.87	—	—	—
Financial Liabilities				
Trade Payables		—	—	—
Total		—	—	—

Credit Risk

The company is exposed to credit risk as a result of risk of counterparties defaulting on their obligations. The company's exposure to credit risk primarily relates to Cash and Cash Equivalents, other bank balances, trade receivables, loans and other financial assets.

The customer's credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management.

Credit quality of a customer is assessed based on the individual credit limits that are defined in accordance with the assessment and outstanding customer receivables are regularly monitored. The company monitors and limits its exposure to credit risk on a continuous basis.

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Exposure to Credit Risk

	31-03-2022	31-03-2021
The carrying amount of financial assets represents the maximum credit exposure. Maximum exposure to credit risk being the total of the carrying amount of trade receivables, investments, cash and cash equivalents, other balance with banks, loans and other financial assets.	519.36	861.79

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The maximum exposure to credit risk as at reporting date is primarily from trade receivables and the movement in allowance for impairment in respect of trade and other receivables during the year was as follows:

Trade Receivables	81.19	411.01
Allowance for doubtful debts	—	—

Liquidity Risk

The company is exposed to liquidity risk related to its ability to fund its obligations as they become due. The company monitors and manages its liquidity risk to ensure access to sufficient funds to meet operational and financial requirements. The company monitors cash balances daily. In relation to Company's liquidity risk, the company's policy is to ensure, as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions as they fall due while minimizing finance costs without incurring unacceptable losses or risking damage to Company's reputation.

The Company's principle source of liquidity is cash and cash equivalents and the cash flow is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements and accordingly, no risk is perceived.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022**

(All amounts are in ₹ lakhs, unless otherwise stated)

Financial Liabilities

As at March 31, 2022	Due in 1 year	1-2 years	3-5 years	>5 years
Borrowings	879.21	54.62	368.36	451.72
Trade payables	379.85	—	—	—
Other Financial Liabilities	256.13	—	—	—
Total	1,515.19	54.62	368.36	451.72
As at March 31, 2021				
Financial Liabilities				
Borrowings	1,496.24	57.00	137.56	469.70
Trade payables	344.14	—	—	—
Other Financial Liabilities	127.71	—	—	—
Total	1,968.09	57.00	137.56	469.70

For and on behalf of the Board of Directors of
Veejay Lakshmi Engineering Works Limited

As per our report of even date
For Manohar Chowdhry & Associates
Chartered Accountants, FRN No. 001997S

(SD/-) V.J. JAYARAMAN
Chairman
DIN No:00137340

(SD/-) J. ANAND
Managing Director
DIN No: 00137425

(SD/-) D. RANGANATHAN
Whole-Time Director
DIN No:00137566

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

M.S.N.M. SANTOSH
Partner
M.No: 221916

Place : Coimbatore
Date : 05.05.2022

Form No. MGT-11

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

PROXY FORM

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

Name of the Member(s) :
Registered Address :
E-mail ID :
Folio No. / Client ID :
DP ID :

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 47th Annual General Meeting of the company, to be held on the 28th day of September, 2022 at 10.30 a.m. at 'ARDRA HALL', No.9, Huzur Road, Coimbatore - 641 018 and at any adjournment thereof in respect of such resolutions as are indicated in the Notice for the meeting.

Signed this _____ day of _____ 2022.

(Affix Revenue Stamp)

Signature of Shareholder :

Signature of Proxy holder(s) :

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



VEEJAY LAKSHMI ENGINEERING WORKS LIMITED

Regd. Office : Sengalipalayam, NGGO Colony Post, Coimbatore – 641 022
(CIN L29191TZ1974PLC000705)

ATTENDANCE SLIP

Name & Address of the Shareholder	No. of Shares held	Sequence No.	Folio No.

I hereby record my presence at the 47th ANNUAL GENERAL MEETING of the Company at No.9,'Ardra Hall,' North Huzur Road, Coimbatore - 641 018 on Wednesday the 28th September 2022 at 10.30 AM.

Signature of the member or Proxy

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ROUTE MAP TO MEETING HALL

