



VEEJAY LAKSHMI ENGINEERING WORKS LIMITED

FORTY-SECOND ANNUAL REPORT 2016-2017

CONTENTS

Notice.....	02
Directors' Report	07
Management Discussion and Analysis Report.....	30
Corporate Governance Report	33
Auditors' Report.....	43
Balance Sheet	49
Profit & Loss Statement.....	50
Cash Flow Statement.....	51
Notes to Financial Statements	52
Consolidated Accounts	68

**BOARD OF DIRECTORS****Sri V.J. JAYARAMAN**

Chairman and Managing Director

Sri N. M. ANANTHAPADMANABHAN**Sri N. ATHIMOOLAM NAIDU****Sri J. ANAND**

Managing Director

Sri B. SRIRAM**Sri D. RANGANATHAN**

Whole Time Director

Smt ARTHI ANAND**Sri K. NARENDRA****Sri RAJIV A. NAIDU**

(Alternate to Sri N. Athimoolam Naidu)

COMPANY SECRETARY**Sri V.K. SWAMINATHAN****REGISTERED OFFICE**

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

AUDITOR**M/s. N.R. Doraiswami & Co**

Chartered Accountants
No. 48, Race Course
Coimbatore 641 018

SECRETARIAL AUDITOR**Sri K. MUTHUSAMY**

Practicing Company Secretary
Coimbatore

WORKS**Engg. Unit - I**

Sengalipalayam
Coimbatore 641 022

Engg. Units - II & III

Kariyampalayam, Annur
Coimbatore 641 653

Engg. Unit IV

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

Textile Division

Thekkampatti
Mettupalayam Taluk
Coimbatore 641 113

WIND MILLS

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

REGISTRAR & SHARE TRANSFER AGENT**M/s. S.K.D.C. Consultants Limited**

Kanapathy Towers, 3rd Floor
1391/A-1, Sathy Road, Ganapathy
Coimbatore - 641 006



CIN: L29191TZ1974PLC000705

Regd. Office: Sengalipalayam, NGGO Colony PO, Coimbatore – 641022

Phone: 0422 2460662 Fax: 0422 2460453

Email: accounts@veejaylakshmi.com Website: www.veejaylakshmi.com

NOTICE TO SHAREHOLDERS

Notice is hereby given that the Forty Second Annual General Meeting of the share holders of Veejay Lakshmi Engineering Works Limited will be held on Wednesday, the 27th day of September 2017 at 10.00 A.M at Nani Kalai Arangam, Mani Higher Secondary School, Coimbatore - 641 037 to transact the following business:

Ordinary Business:

1. To consider and adopt Annual Financial Statements including Statement of Profit and Loss, Cash Flow Statement for the year ended 31st March 2017, the Balance Sheet as on that date, the Report of Board of Directors and the Auditors' Report thereon.
2. To appoint a Director in the place of Sri D.Ranganathan (DIN 00137566), who retires by rotation and being eligible, offers himself for re-appointment.
3. To 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. N.R. Doraiswami & Co, Chartered Accountants, from the conclusion of this Annual General Meeting on the expiry of their term of office, to approve the appointment of M/s. Manohar Chowdhry & Associates, Chartered Accountants, Chennai, Firm Registration No.001997S for a term of five consecutive years commencing from 2017-18 to 2021-22 to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held in 2022, subject to ratification every year and at such audit fee as shall be fixed by the Board of Directors of the Company."

By order of the Board

Place : Coimbatore

Date : 26/05/2017

(Sd/-) V.J. Jayaraman

Chairman and Managing Director

NOTE :

1. The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, DULY COMPLETED, MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM FOR THE AGM IS ENCLOSED.
3. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING



RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

4. Members / proxies should present the duly filled attendance slip enclosed herewith to attend the meeting.
5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
6. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
7. The Register of Members and share transfer books of the Company will remain closed from Thursday, the 21st September 2017 to Wednesday, the 27th September 2017 (both days inclusive) as per Reg.42(1) of the SEBI (LODR) Regulations, 2015.
8. Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updates of bank account details to their respective Depository participant(s).
9. Members are requested to address all correspondences, including change of address and dividend matters, to the Registrar and Share Transfer Agents of the Company, M/s S.K.D.C Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006.
10. Members who wish to claim dividends, which remain unclaimed, are requested to correspond with Company Secretary / Share Transfer Agents of the Company. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013 be transferred to the Investor Education and Protection Fund.

The details of unpaid/unclaimed dividend are available on the website of the company. 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.

11. Brief resume, details of shareholding and Directors inter-se relationship of Directors seeking election/re-election as required under Reg.36(3) of the SEBI (LODR) Regulations, 2015 are provided as Annexure to this notice.
12. As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register their e-mail address with the Company in respect of shares held in physical form and with the concerned Depository Participant in respect of shares held in electronic form to enable the Company to serve documents in electronic form.
13. A member who needs any clarification on accounts or operations of the Company shall write to the Compliance Officer, so as to reach him at least 7 days before the meeting, so that the information required can be provided.
14. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
15. Electronic copy of the Annual Report and AGM Notice are being sent to all the members whose E-mail id is registered with the Company / Depository Participants unless any member has requested for a hard copy of the same. For members who have not registered their E-mail ID, physical copies of Annual Report and AGM Notice for the year 2016-17 are sent through the permitted mode separately.
16. The notice of the Annual General Meeting and this communication are also available on the website of the Company www.veejaylakshmi.com.



Voting Through Electronic Means

In compliance with the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Reg.44 of the SEBI (LODR) Regulations, 2015, the Company is pleased to provide members facility to exercise their votes for all the resolutions detailed in the Notice of the 42nd Annual General Meeting scheduled to be held on Wednesday, the 27th September 2017 at 10.00 A.M by electronic means and the business may be transacted through remote e-voting. The Company has engaged the services of CDSL as the authorized agency to provide the remote e-voting facilities as per instructions below.

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

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

Votes cast by members who hold shares on the cut off date 20.09.2017 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.

The instructions for shareholders voting electronically are as under:

- i. The remote e-voting period begins at 09.00 AM on 24.09.2017 and ends on 26.09.2017 at 05.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20.09.2017, may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The shareholders should log on to the e-voting website www.evotingindia.com
- iii. Click on Shareholders.
- iv. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DPID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.



Dividend Bank Details	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.
OR Date of Birth (DOB)	<ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- viii. After entering these details appropriately, click on «SUBMIT» tab.
- ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in electronic form will now reach «Password Creation» menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for the Company Name, 'Veejay Lakshmi Engineering Works Limited' to vote.
- xii. On the voting page, you will see «RESOLUTION DESCRIPTION» and against the same the option «YES/NO» for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the «RESOLUTIONS FILE LINK» if you wish to view the entire Resolution Details.
- xiv. After selecting the resolution you have decided to vote on, click on «SUBMIT». A confirmation box will be displayed. If you wish to confirm your vote, click on «OK», else to change your vote, click on «CANCEL» and accordingly modify your vote.
- xv. Once you «CONFIRM» your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on «Click here to print» option on the Voting page.
- xvii. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. Note for Non - Individual Shareholders and Custodians
Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
After receiving the login details a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xix. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions («FAQs») and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

For and on behalf of the Board

Coimbatore
May 26, 2017

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



ANNEXURE TO NOTICE OF AGM
Profile of Directors seeking Reappointment / Election
(Pursuant to Reg 36 of SEBI (LODR) Regulations, 2015)

1. Sri D. Ranganathan

PROFILE:

Sri D. Ranganathan was born on April 28, 1952 at Coimbatore. He is a Post Graduate, M.B.A with commerce degree. He has held Sr. Management Positions in the Company before appointment as Whole-time Director.

OTHER DIRECTORSHIPS:

Veejay Sales and Services Limited

MEMBERSHIP OF COMMITTEES IN THE COMPANY:

Audit Committee

Share Transfer Committee

Stake Holder Relationship Committee

SHAREHOLDING AND RELATIONSHIP:

Shareholding in the Company: 300 Eq. Shares; He is not related to any of the directors.

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 Chairman and 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.



DIRECTORS' REPORT TO SHARE HOLDERS

Dear Shareholders,

Your Directors are pleased to present the Forty Second Annual Report and the Company's audited financial statements for the financial year ended 31st March 2017.

FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2017 is summarized below:

(₹ in Lakhs)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Sales Turnover	9,087.47	7,812.03
Profit/Loss(-) before Depreciation and taxes	412.21	-98.27
Depreciation	468.58	466.78
Exceptional Items/ expenses profit(loss) before taxes	-	79.87
Net Profit	-56.37	-485.18
Balance brought forward from Profit and Loss account	-473.45	-78.72
Amount available for appropriation	-529.82	-563.9
APPROPRIATIONS/ADJUSTMENTS		
Provision for Taxes - Current Tax		-
- Deferred Tax	49.36	-90.45
Prior year Taxes	20.49	-
Balance carried forward to Profit and Loss account	-599.67	-473.45
Total	-529.82	-563.90

PROFITS/ DIVIDENDS

The workings during the year 2016-17 have resulted in a net loss of Rs.126.22 Lakhs as against a net loss of Rs.394.73 Lakhs in the previous year. No dividend is recommended in view of the loss in the year and the need to conserve funds for reducing borrowings.

OPERATIONS

The steps taken to improve productivity in the engineering unit has resulted in increase in sale of the main product-Two for one Twisting machine. The quantity of machines sold during the year is 222 Nos as against 129 machines in the previous year. Appointment of M/s Voltas Limited as selling agents from 1.4.2016 has also resulted in higher inflow of orders for Two for one Twisters. The Company is yet to achieve volumes in the sale of the other product Assembly Winders. The company could sell only 5 machines during the year.

Cotton and yarn prices have not been stable during the whole year rendering any long term planning as regards the choice of product and raw material procurement unreliable. Though the power situation has been better than that in the previous year capacity utilization has not been at the optimum level in view of the inconsistency in the prices of cotton and yarn. The focus is on enhancing capacity for value added products such as twisted yarn and knitted fabric.



The income from wind mills is higher than the previous year due to better wind flow and also evacuation. The sales turnover during the year under review is Rs. 9087 lakhs as against Rs.7812 lakhs in the previous year.

FINANCE

The term loan from State Bank of India has been repaid. The fund based working capital limits also have been reduced from Rs.3150 lakhs to Rs.2050 lakhs. The long term borrowings of Rs. 953 lakhs represent unsecured loans provided by promoters to improve the liquidity position of the Company and no interest has been paid on these loans.

R & D

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

INDUSTRIAL RELATIONS

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

FIXED DEPOSITS

The Company has not accepted any deposits from public during the year and there are no deposits from the public as at 31.3.2017. The Company has an amount of Rs.953 lakhs as unsecured loans from directors.

DIRECTORATE

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

INFORMATION STATUS OF THE COMPANY

Information on the performance of the company is given in the Management Discussion and Analysis report which forms a part of the annual report and has been prepared in accordance with Reg.34(2) of the SEBI (LODR) Regulations, 2015.

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 'INVESTMENT IN ASSOCIATES-CONSOLIDATED FINANCIAL STATEMENT'.

The statement containing salient features of the financial statements of the Associate Company pursuant to the provision of Sec.129 of the Companies Act, 2013 is attached herewith in Form AOC-1 and is attached as Annexure-1 to this report.

INFORMATION PURSUANT TO SECTION 134 OF THE COMPANIES ACT, 2013

The information pursuant to provisions of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with provisions of Section 134 of the Companies Act, 2013 are furnished in Corporate Governance Report under the title 'Details of Remuneration for the Year 2016-17'.



PARTICULARS OF EMPLOYEES

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors hereby state that :

- in preparation of annual accounts for the financial year ended March 31, 2017, 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 2017.
- 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, 2017 on a going concern basis.
- the Directors had laid down internal financial controls to be followed by the company and that such internal controls are adequate and are operating effectively.
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Reg.34(2) of the SEBI (LODR) Regulations, 2015 is presented separately forming part of the Annual Report.

CORPORATE GOVERNANCE

The report on Corporate Governance as stipulated under the SEBI (LODR) Regulations, 2015 forms an integral part of this report.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

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

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

Your Directors draw attention of the members to note No.6 to the financial statement which sets out related party disclosures.



CORPORATE SOCIAL RESPONSIBILITY

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

RISK MANAGEMENT

The Company's Risk Management Policy, approved by the Board is posted on the website of the Company. The provisions of SEBI (LODR) Regulations, 2015 in this respect (Reg.21(5)) is not applicable to the Company.

INTERNAL FINANCIAL CONTROLS

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The profile of the Director proposed to be reappointed is attached separately.

DISCLOSURES:

Audit Committee

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.

Vigil Mechanism

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 dedicated telephone line or a letter to the Chairman of the Audit Committee.

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

Meetings of the Board

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

Policy on Director's Appointment and Remuneration

The appointment of Directors and fixation of their remuneration is as per the guidelines laid down in the Nomination and Remuneration Policy of the Company 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 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.

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, Independent Directors and the Chairman of the Board. 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 communicated to the Chairman of the Board of Directors.



Declaration by Independent Directors

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

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

As per the Sexual Harassment of Women at Workplace (prevention, prohibition and redressal) Act, 2013, the Company has constituted a Complaints Committee within HR department. No complaints were received by the committee during the year 2016-17.

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

Particulars of loans given, investments made, securities provided and guarantees given, covered under the provisions of section 186 of the Companies Act, 2013 are contained under note No.6 of the Financial Statement.

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

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

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

Sl. No.	Particulars	Related disclosures
1.	The change in the nature of business	The business of the Company is manufacture of cotton yarn, knitted fabric, Two for One Twisting Machines and Assembly Winders. The Company also has wind mills and the power is captively consumed. There was no change in the business of the Company.
2.	The details of directors or key managerial personnel who were appointed or have resigned during the year	NIL
3.	The names of the Companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year	NIL
4.	Issue of equity shares with differential rights as to dividend, voting or otherwise.	No equity shares were issued during the year.
5.	Issue of equity shares (sweat equity shares) to the employees of the Company	No sweat equity issue during the year.
6.	Receipt of remuneration or commission by the Managing Director or Whole time Director from any of its subsidiaries	The Company has no subsidiary.
7.	The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.	No significant or material orders were passed by the regulators or courts or tribunals which impact the going concern status of the company.



Extract of Annual Return

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

Particulars of Employees and related disclosures

In terms of the provisions of Section 197(12) of the Act read with Rules 5(1) , 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of employees drawing remuneration in excess of the limits set out and other particulars related to the remuneration of Key Managerial Personnel are provided in the Corporate Governance Report under the title ‘ Details of Remuneration for the Year 2016-17’.

AUDITORS AND AUDITORS’ REPORT

Statutory Auditors

M/s. N.R. Doraiswami & Co., Chartered Accountants, statutory auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting of the Company.

M/s. Manohar Chowdhry & Associates, Chartered Accountants are proposed to be appointed as Auditors to hold office from the conclusion of this meeting till the conclusion of the sixth Annual General Meeting to be held in 2022 subject to ratification by the general body every year.

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

Secretarial Auditor

The Board has appointed Sri K. Muthusamy, Practicing Company Secretary to conduct Secretarial Audit for the Financial Year 2016-17.

Acknowledgement

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

For and on behalf of the Board of Directors

Coimbatore
May 26, 2017

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



ANNEXURES TO DIRECTORS' REPORT

Annexure – 1

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

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

PART 'A': SUBSIDIARIES

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl.No.	Particulars	Details
1.	Sl. No.	—
2.	Name of the subsidiary	—
3.	The date since when subsidiary was acquired	—
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	—
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	—
6.	Share capital	—
7.	Reserves & surplus	—
8.	Total assets	—
9.	Total Liabilities	—
10.	Investments	—
11.	Turnover	—
12.	Profit before taxation	—
13.	Provision for taxation	—
14.	Profit after taxation	—
15.	Proposed Dividend	—
16.	Extent of shareholding (In percentage)	—

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	31.03.2017
2. Date on which the Associate or Joint Venture was associated or Acquired	05.12.2011



Name of associates/Joint Ventures	M/s Veejay Sales and Services Limited
3. Shares of Associate/Joint Ventures held by the company on the year end	
No of Shares.	13100
Amount of Investment in Associates/Joint Venture	1,31,000
Extend 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)	110.62
7. Profit/Loss For The Year (Rs In Lakhs)	23.10
i. Considered in Consolidation	6.05
ii. Not Considered in Consolidation	17.05

Annexure – 2**Form No. AOC – 2**

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

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

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

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



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

a.	Name(s) of the related party and nature of relationship	Veejay Sales and Services Limited	Augustan Knitwear P. Limited
b.	Nature of contracts/ arrangements/ transactions	Purchase of wind power in the ordinary course of business of the Company.	Sale of yarn and fabric in the ordinary course of the company's business.
c.	Duration of the contracts/ arrangements/ transactions	Valid up to 31-03-2017.	Valid up to 31-03-2017.
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 14-11-2016 and specific transactions every quarter.	Approved on 14-11-2016 and specific transactions every quarter.
f.	Amount paid as advances, if any:	Nil	Nil

Annexure - 3

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

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

Sl. No.	Particulars	Related Disclosures
Conservation of Energy		
1.	Steps taken or impact on conservation of energy	All 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.
3.	Capital investment on energy conservation equipments	Nil
Technology Absorption, Adaptation and Innovation		
1.	Efforts made towards technology absorption	In house Research and Development process is continuing one.
2.	Benefits derived like product improvement, cost reduction, product development or import substitution	Product development and cost reduction.



Sl. No.	Particulars	Related Disclosures
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.18.26 lakhs

Foreign Exchange Earnings and Outgo

₹ in Lakhs

		2016-17
1.	Foreign Exchange earned	1,855.14
2.	Foreign Exchange Outgo	1,803.40

Annexure - 4**Form No. MGT-9****EXTRACT OF ANNUAL RETURN as on the financial year ended on 31-03-2017**

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

I. REGISTRATION AND OTHER DETAILS:

i) CIN:-	L29191TZ1974PLC000705
ii) Registration Date	8/26/1974
iii) Name of the Company	VEEJAY LAKSHMI ENGINEERING WORKS LIMITED
iv) Category / Sub-Category of the Company	Public Limited
v) Address of the Registered office and contact details	SENGALIPALAYAM N G G O COLONY POST COIMBATORE - 641022, TAMIL NADU PHONE: 0422-2460662 FAX:0422-2460453 e-mail : compsec@veejaylakshmi.com
vi) Whether listed company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	S K D C CONSULTANTS LIMITED KANAPATHY TOWERS 3rd FLOOR, 1391/A-1, SATHY ROAD GANAPATHY COIMBATORE - 641006 PHONE : 0422-6549995 e-mail : info@skdc-consultants.com



II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	TWO FOR ONE TWISTERS & ASSEMBLY WINDERS	29262	50.28
2	COTTON YARN	17111	46.28

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
g) Individual/ HUF	3147931	33480	3181411	62.726	3181411	0	3181411	62.726	0	
h) Central Govt										
i) State Govt (s)										
j) Bodies Corp.	61815	0	61815	1.219	64706	0	64706	1.276	0.057	
k) Banks / FI										
l) Any Other...										
Sub-total (A) (1):-	3209746	33480	3243226	63.945	3246117	0	3246117	64.002	0.057	
(2) Foreign										
a) NRIs - Individuals										
b) Other – Individuals										
c) Bodies Corp.										
d) Banks / FI										
e) Any Other....										
Sub-total (A) (2):-			0	0			0	0		
Total shareholding of Promoter (A) = (A)(1)+(A) (2)	3209746	33480	3243226	63.945	3246117	0	3246117	64.002	0.057	



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	200	200	0.004	0	200	200	0.004	0
b) Banks / FI									
c) Central Govt	0	100	100	0.002	0	100	100	0.002	0
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies	500	0	500	0.010	500	0	500	0.010	0
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):	500	300	800	0.016	500	300	800	0.016	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	59015	6300	65315	1.288	43989	5600	49589	0.978	-0.31
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh (Rs. 2 lakhs for current year)	959521	256784	1216305	23.980	895921	252684	1148605	22.646	-1.334
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh (Rs. 2 lakhs for current year)	363058	13000	376058	7.415	444237	13000	457237	9.015	1.600
c) Others (specify)									
i) Directors and their relatives	250	4670	4920	0.097	250	4670	4920	0.097	0.000



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Non resident Indians	20167	0	20167	0.398	19989	0	19989	0.394	-0.004
iii) Clearing members	7275	0	7275	0.143	8995	0	8995	0.177	0.034
iv) Hindu Undivided families	69994	0	69994	1.38	67808	0	67808	1.337	-0.043
NRI directors	67840	0	67840	1.338	67840	0	67840	1.338	0.00
Sub-total (B)(2):	1547120	280754	1827874	36.039	1549029	275954	1824983	35.982	-0.057
Total Public Shareholding (B) = (B)(1) + (B)(2)	1547620	281054	1828674	36.055	1549529	276254	1825783	35.998	-0.057
C. Shares held by Custodian for GDRs & ADRs			0				0		
Grand Total (A+B+C)	4757366	314534	5071900	100.00	4795646	276254	5071900	100.00	0.00

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares No. of Shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares No. of Shares	% change in share holding during the year
1	Sri V.J.Jayaraman	1105350	21.794	0	1105350	21.794	0	0
2	Sri J. Anand	1209807	23.853	0	1209807	23.853	0	0
3	Sri J.Vidya	736110	14.513	0	736110	14.513	0	0
4	Sri V.J.Jayaraman HUF	130144	2.566	0	130144	2.566	0	0
5	Veejay Sales and Services Ltd.	61815	1.219	0	64706	1.276	0	0.057
	Total	3243226	63.945	0	3246117	64.002		0.057



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

S. No.	Shareholder's Name	Shareholding at the beginning of the year		Date of transaction	Increase / decrease (-) in Shareholding	Reason	Cumulative Shareholding during/ (end of) the year	
		No. of shares	% of total				No. of shares	% of total
1	V.J. Jayaraman Chairman and Managing Director	1105350	21.794	1/4/2016	No change		1105350	21.794
				31/3/2017			1105350	21.794
2	J. Anand Managing Director	1209807	23.853	1/4/2016	No change		1209807	23.853
				31/3/2017			1209807	23.853
3	J. Vidya	736110	14.513	1/4/2016	No change		725700	14.308
				31/3/2017			736110	14.513
4	V.J. Jayaraman (HUF)	130144	2.566	1/4/2016	No change		130144	2.566
				31/3/2017			130144	2.566
5	Veejay Sales and Services Ltd.	61815	1.219	1/4/2016	0		61815	1.219
				8/4/2016	750	Transfer	62565	1.234
				15/4/2016	801	Transfer	63366	1.249
				22/4/2016	1340	Transfer	64706	1.276
				31/3/2017	0		64706	1.276

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

S. No.	Shareholder's Name	Shareholding at the beginning of the year		Date of transaction	Increase / decrease in Shareholding	Reason	Cumulative Shareholding during/(end of) the year	
		No. of shares	% of total				No. of shares	% of total
1	Ajay Kumar Kayan	111130	2.191	1/4/2016			0	0.000
				10/6/2016	-11015	Sold	100115	1.974
				31/3/2017			100115	1.974
2	Magesh Kanooga S	29046		1/4/2016			29046	0.573
				21/10/2016	-2104	Sold	26942	0.531
				28/10/2016	-2942	Sold	24000	0.473
				4/11/2016	-1500	Sold	22500	0.444
				11/11/2016	-250	Sold	22250	0.439
				18/11/2016	-841	Sold	21409	0.422
				25/11/2016	-1189	Sold	20220	0.399
				2/12/2016	-3484	Sold	16736	0.330
				16/12/2016	-10	Sold	16726	0.330
				31/3/2017			16726	0.330



S. No.	Shareholder's Name	Shareholding at the beginning of the year		Date of transaction	Increase / decrease in Shareholding	Reason	Cumulative Shareholding during/(end of) the year	
		No. of shares	% of total				No. of shares	% of total
3	Bharat Mody	25657	0.506	1/4/2016			25657	0.506
				31/3/2017	No change		25657	0.506
4	Subramanian P	23290	0.459	1/4/2016			23290	0.459
				8/4/2016	3581	Bought	26871	0.530
				22/04/2016	849	Bought	27720	0.547
				8/7/2016	90	Bought	27810	0.548
				15/7/2016	500	Bought	28310	0.558
				22/7/2016	1910	Bought	30220	0.596
				29/7/2016	900	Bought	31120	0.614
				5/8/2016	901	Bought	32021	0.631
				12/8/2016	449	Bought	32470	0.640
				19/8/2016	1890	Bought	34360	0.677
				26/8/2016	1290	Bought	35650	0.703
				2/9/2016	900	Bought	36550	0.721
				23/9/2016	1340	Bought	37890	0.747
				7/10/2016	900	Bought	38790	0.765
				14/10/2016	71350	Bought	110140	2.172
				21/10/2016	2400	Bought	112540	2.219
				28/10/2016	4660	Bought	117200	2.311
				4/11/2016	2000	Bought	119200	2.350
				11/11/2016	5995	Bought	125195	2.468
				18/11/2016	8805	Bought	134000	2.642
				25/11/2016	2170	Bought	136170	2.685
				2/12/2016	3833	Bought	140003	2.760
				9/12/2016	2446	Bought	142449	2.809
				16/12/2016	553	Bought	143002	2.819
				23/12/2016	699	Bought	143701	2.833
				30/12/2016	1045	Bought	144746	2.854
				6/1/2017	1654	Bought	146400	2.886
13/1/2017	2799	Bought	149199	2.942				
20/1/2017	700	Bought	149899	2.955				
27/1/2017	95	Bought	149994	2.957				
3/2/2017	500	Bought	150494	2.967				
10/2/2017	1227	Bought	151721	2.991				
17/2/2017	500	Bought	152221	3.001				



S. No.	Shareholder's Name	Shareholding at the beginning of the year		Date of transaction	Increase / decrease in Shareholding	Reason	Cumulative Shareholding during/(end of) the year	
		No. of shares	% of total				No. of shares	% of total
				24/2/2017	200	Bought	152421	3.005
				3/3/2017	3879	Bought	156300	3.082
				10/03/2017	1902	Bought	158202	3.119
				17/3/2017	3598	Bought	161800	3.190
				24/3/2017	6200	Bought	168000	3.312
				31/3/2017	1900	Bought	169900	3.350
5	S.R.Gupta	20114	0.397	1/4/2016	0		20114	0.397
				31/3/2017	0	No change	20114	0.397
6	Surendra Lamba	19936	0.393	1/4/2016	0		19936	0.393
				31/3/2017	0	No change	19936	0.393
7	Aditya Vikram Somani	16927	0.334	1/4/2016	16927		16927	0.334
				31/3/2017		No change	16927	0.334
8	Sudhir N	0	0	29/4/2016	6919	Bought	6919	0.136
				6/5/2016	7078	Bought	13997	0.276
				13/5/2016	4528	Bought	18525	0.365
				20/5/2016	873	Bought	19398	0.382
				10/6/2016	3080	Bought	22478	0.443
				17/6/2016	2767	Bought	25245	0.498
				24/6/2016	4360	Bought	29605	0.584
				30/6/2016	6050	Bought	35655	0.703
				8/7/2016	1373	Bought	37028	0.730
				15/7/2016	200	Bought	37228	0.734
				29/7/2016	1012	Bought	38240	0.754
				5/8/2016	100	Bought	38340	0.756
				12/8/2016	1725	Bought	40065	0.790
				24/2/2017	-4930	Sold	35135	0.693
				3/3/2017	-200	Sold	34935	0.689
17/3/2017	-49	Sold	34886	0.688				
24/3/2017	-686	Sold	34200	0.674				
31/3/2017			34200	0.674				
9	Tanvi Jignesh Mehta			1/4/2016			0	
				17/3/2017	33377	Bought	33377	0.658
				31/3/2017			33377	0.658



S. No.	Shareholder's Name	Shareholding at the beginning of the year		Date of transaction	Increase / decrease in Shareholding	Reason	Cumulative Shareholding during/(end of) the year	
		No. of shares	% of total				No. of shares	% of total
10	Parmeshwarlal Rungta			1/4/2016			13926	0.275
				31/3/2017		No change	13926	0.275

V. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

S. No.	Shareholder's Name	Shareholding at the beginning of the year		Date of transaction	Increase / decrease in Shareholding	Reason	Cumulative Shareholding during/(end of) the year	
		No. of shares	% of total				No. of shares	% of total
1	V.J. Jayaraman Chairman and Managing Director	1105350	21.794	1/4/2016			1105350	21.794
				31/3/2017	0	No change	1105350	21.794
	V.J. Jayaraman (HUF)	130144	2.566	1/4/2016	0		130144	2.566
				31/3/2017		No change	130144	2.566
2	J. Anand Managing Director	1209807	23.853	1/4/2016	0		1209807	21.881
				31/3/2017	0	No change	1209807	23.853
3	N.Athimoolam Naidu	67840	1.338	1/4/2016	0		67840	1.338
				31/3/2017	0	No change	67840	1.338
4	D. Ranganathan	300	0.006	1/4/2016	0		300	0.006
				31/3/2017	0	No change	300	0.006

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

VI. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness (Rs)
Indebtedness at the beginning of the financial year				
i) Principal Amount	4,00,98,285	9,66,00,000	0	13,66,98,285
ii) Interest due but not paid	0	0	0	
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	4,00,98,285	9,66,00,000	0	13,66,98,285



	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness (Rs)
Change in Indebtedness during the financial year				
– Addition	5,22,64,508	0	0	5,22,64,508
– Reduction		12,76,311	0	12,76,311
Net Change	5,22,64,508	12,76,311	0	5,09,88,197
Indebtedness at the end of the financial year				
i) Principal Amount	9,23,62,793	9,53,23,689	0	18,76,86,482
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	9,23,62,793	9,53,23,689	0	18,76,86,482

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Sri V.J.Jayaraman Managing Director	Sri J. Anand Managing Director	Sri D.Ranganathan Whole Time Director	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	30,28,877	9,69,079	39,97,956
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	40,153	4,56,334	1,14,456	6,10,943
	(c) Profits in lieu of salary under section 17(3) Incometax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission				
	– as % of profit	0	0	0	0
	– others, specify...	0	0	0	0
5	Others, please specify	0	0	0	0
	Total (A)	40,153	34,85,211	10,83,535	46,08,899
	Ceiling as per the Act	48,00,000	42,00,000	12,09,600	1,02,09,600

**B. Remuneration to other Directors:**

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Sri N.M. Anantha Padmanabhan	Sri B. Sriram	Sri N. Athimoolam Naidu	Smt Arthi Anand	Sri K. Narendra	
1	Independent Directors						
	– Fee for attending board / committee meetings	50,000	40,000	30,000	0	45,000	1,65,000
	– Commission	0	0	0	0	0	0
	– Others, please specify	0	0	0	0	0	0
	Total (1)	50,000	40,000	30,000	0	45,000	1,65,000
2	Other Non-Executive Directors						
	– Fee for attending board / committee meetings	0	0	0	15,000	0	15,000
	– Commission	0	0	0	0	0	0
	– Others, please specify	0	0	0	0	0	0
	Total (2)	0	0	0	15,000	0	15,000
	Total (B)=(1+2)	50,000	40,000	30,000	15,000	45,000	1,80,000
	Total Managerial Remuneration						47,88,899
	Overall Ceiling as per the Act (Perquisites not included)						1,02,09,600

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	6,00,000	0	6,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	87,828	0	87,828
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0



Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
4	Commission				
	– as % of profit	0	0	0	0
	– others, specify	0	0	0	0
5	Others, please specify	0	0	0	0
	Total	0	6,87,828	0	6,87,828

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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



Form No. MR-3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March 2017**

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

To

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

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 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2017 according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made there under;
 - (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (iii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended from time to time:-
 - a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client, and
2. I was informed that, for the financial year ended on 31st March 2017:
 - (i) The Company was not required to maintain books, papers, minute books, forms and returns or other records according to the provisions of the following Regulations and Guidelines prescribed under SEBI Act :
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, which is not applicable as no delisting was during the year; and
 - c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, which is not applicable to the company as no buyback was during the year;



- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / The Securities and Exchange Board of India (Share based Employee Benefits) Regulations 2014;
 - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - g) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
 - h) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (ii) There are no other laws specifically applicable to the Company, the books, papers, minute books, forms and returns of which were required to be examined by us for the purpose of this report.
3. I have also examined compliance with the applicable clauses of the following:
- i. Secretarial Standards 1 and 2 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.
4. 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 company has submitted Form A along with Audited Financial Results to the Stock Exchange instead of giving declaration under regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
5. I further report that:
- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 - (ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately in advance, and a system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings before majority decision is carried through. We are informed that there were no dissenting members' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.
 - (iii) There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with other applicable laws, rules, regulations and guidelines.

Place : Coimbatore
Date : 26.05.2017

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



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 2017 but before issue of the report.
6. I have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
7. I have considered actions carried out by the Company based on independent legal / professional opinion as being in compliance with law, wherever there was scope for multiple interpretations, especially since the financial year ended 31st March 2017 was the first full financial year in which listing agreement with the stock exchanges was replaced by The Securities Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.
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 : 26.05.2017

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



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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 Development

The Company started its operations in the year 1975 to produce yarn Twisting Machines. The Company diversified into textile spinning in the year 1993. The Company has also investment in Wind Mills.

As one of the major employment providing industry, textile industry has been growing over the years with fluctuation in profits due to vagaries in the price of raw materials and the end products. The textile machinery manufacturing industry has also been growing with the textile industry and its prospects are directly related to the prospects of textile industry in India.

The situation in spinning industry is not conducive now for fresh investments. Existing units are suffering due to low margins and un-remunerative prices and they do not find the situation encouraging for investments. However, there are new investments in few states due to incentives provided by the respective State Governments. The demand for the textile machinery is still low compared to the installed capacities and this results in severe competition with low prices and thin margins.

OPPORTUNITIES AND THREATS:

Opportunities

Prime Market for Textile Machinery

The country is a prime market for textile machinery. Updated technology and competitive pricing will help the Company improve the market share for the machinery manufactured by its engineering division.

Source for Raw Material (cotton)

Quality cotton is available upcountry which enables production of quality yarn suitable for export market.

Skilled labour

The Textile Division of the company is labour intensive. Adequate labour is sourced from other districts of the state and northern states ensuring uninterrupted production.

Threats

Competition from Foreign Manufacturers

The Company has to cope with the competition from foreign manufacturers who are in a position to cater to the needs of customers with technologically advanced products.

Uncontrolled expansion in spinning capacity

There is continuous increase in spinning capacity. The production capacity in India is in excess of the local demand for the yarn. This results in competition, fall in demand and lower price / margins in the textile division.

Cost of Power

The spinning industry being power intensive any power shutdowns or increase in power tariff will result in higher production cost both due to higher power cost and under utilization of installed capacity.



Segmentwise/Productwise Performance

The Company has three reporting segments: 1) Textile Machinery Division producing Two for One Twisters (twisters) and Assembly Winders (winders), 2) Textile Division producing yarn and fabrics and 3) Wind mills producing power using wind electric generators.

Steps taken to improve productivity has resulted in increase in the production / sale of Two for One Twisters. The Company has not been able to increase the sales volume of Assembly Winders due to competitive offers at lower prices.

The Sales Turnover of Textile Machinery Division is Rs.4412 lakhs (Rs.3161 lakhs in previous year) contributed mainly by twisting machines Rs.3917 lakhs against Rs.2291 lakhs in previous year. There is increase in the sale of Assembly / Random Winders-Rs.99 lakhs from Rs.37 lakhs in the previous year.

The sales turnover from textile division is Rs.4420 lakhs as against Rs.4490 lakhs in the previous year due to lower capacity utilization. The capacity utilization was not at the optimum level due to the yarn prices being below feasible operational level.

The income from wind mills is Rs.324 lakhs as against Rs.229 lakhs in the previous year.

OUTLOOK

Most of the inflow of orders for twisting machines, pending with the company now, are bulk orders from new projects. The demand / inflow of orders will depend on the prospects of textile industry turning conducive for fresh investment and also increase in demand for twisted yarn in particular. The company is making continuous improvement in the design of the twisting machines to improve productivity and reduce operating costs so as to tackle competition. The Company is also gearing up to meet any surge in demand for its products.

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

RISKS & CONCERNS:

Engineering Division

Two for One Twister is the main product in the engineering division. The major risk is from the foreign companies who have set up operations in India and also possible new entrants. This competition will have an impact on the price / margin realized. Being a capital item for the textile industry, the demand will also depend upon the performance of the textile industry and their ability to make investments for expansion / modernization.

Textiles Division

Instability and mismatch in the prices of cotton and yarn continues to haunt the spinning industry compelling under utilization of installed capacity to minimize the loss. It also suffers from locational disadvantage of being away from cotton growing areas, which pushes up the cost of the main raw material.

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



INTERNAL CONTROL SYSTEM AND ADEQUACY

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

All the assets are safeguarded, properly utilized and protected against loss from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly. A Chartered Accountant carries out the audit on monthly basis to monitor the effectiveness of the internal checks and controls in different areas and reports/suggests improvement measures for review by the management.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The removal of bottle necks in production in engineering division has resulted in increase in the turnover of engineering division. However, the margins realized could not cover the operating cost. The same is the case with the textile division. The net loss has come down from Rs.395 Lakhs to Rs.126 lakhs. (1.38 % of sales turnover). The cash profit is Rs.392 lakhs against a cash loss of Rs.18 lakhs in previous year.

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 1029 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 REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

BOARD OF DIRECTORS:

The Board of Directors of the Company has an optimum combination of executive and non-executive directors and is in conformity with 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 2016-17 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, 2017 are as under:

Name of the Director	Category	No. of Board Meetings		Attendance at the last AGM held on 30.09.2016	No. of Directorships in other companies *	Committee position #	
		Held	Attended			Member	Chairman
Sri.V.J.Jayaraman	Executive (promoter)	4	4	Yes	1	--	--
Sri.J.Anand	Executive (Promoter)	4	3	Yes	5	--	--
Smt Arthi Anand	Non Executive (Non-independent)	4	3	Yes	Nil	-	-
Sri.N. Athimoolam Naidu Sri Rajiv A. Naidu Alternate Director	Non-Executive Independent	4	4	Yes	3	--	--
Sri.B.Sriram	Non-Executive Independent	4	3	Yes	2	--	--
Sri.N.M. Ananthapadmanabhan	Non-Executive Independent	4	4	Yes	Nil	--	--
Sri.D.Ranganathan	Executive Non-Independent	4	4	Yes	1	--	--
Sri K. Narendra	Non-Executive Independent	4	4	Yes	1	--	--

* Includes private limited companies

Committee Positions include positions in other companies only

In terms of Sch.V(C)(2)(e) of the SEBI (LODR) Regulations, 2015, it is hereby disclosed that Chairman and Managing Director and Managing Director are related inter-se.

The Board met four times during the financial year 2016-17 Viz., on 19.05.2016, 09.08.2016, 14.11.2016 and 08.02.2017. The gap between any two consecutive Board Meetings did not exceed 120 days.



None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees (as per Reg.26(1) of the SEBI (LODR) Regulations, 2015) across all the companies in which he is a Director. All the Directors have made the requisite disclosures regarding Committee positions held by them in other public limited companies.

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

The Company has a Code of Conduct for the Directors and senior management personnel, which is in compliance with the requirements of Reg.17(5) of the SEBI (LODR) Regulations, 2015. The Code of conduct has also been displayed on the Company's website. The independent directors have given declarations at the first meeting of the Board every year that they meet the criteria of independence as provided in the Act.

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

COMMITTEES OF THE BOARD:

Audit Committee:

The Audit committee has been formed pursuant to Reg.18 of the SEBI (LODR) Regulations, 2015 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.D.Ranganathan, Member (Executive)
- Sri K. Narendra, Member (Independent)

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 the financial statement and the auditor's report thereon.
- Approval or 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 quarterly, half yearly and annual financial statements, company's financial reporting process and disclosures of financial information.
- Review of the internal control systems, scope of internal audit and the vigil mechanism in place.

MEETINGS OF THE AUDIT COMMITTEE

The Audit Committee met four times during the financial year 2016-17 on 19.05.2016, 09.08.2016, 14.11.2016 and 08.02.2017.



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	3
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 shall act as the Secretary of the Committee.

The Chairman of the Audit Committee was present at the last Annual General Meeting (AGM) held on 26.09.2016.

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

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

NOMINATION AND REMUNERATION COMMITTEE

Composition:

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

- Sri. N.M. Ananthapadmanabhan, (Independent Director) Chairman
- Sri. B. Sriram, Member (Independent Director)
- Sri. 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 to the Executive Directors, determining criteria for selection of executive and independent directors and such other functions as may be delegated to it by the Board of Directors.

Details of Remuneration for the Year 2016-17

The Company pays a sum of Rs.5,000 per meeting as fee to non-executive and independent Directors for attending the meetings of the Board of Directors and that of the Committees of the Board .

• Non- Executive Directors

Name of the Director	Sitting fees Paid in ₹	Commission	No of Shares held
Sri. N.M. Ananthapadmanabhan	50,000	NIL	NIL
Sri. B. Sriram	40,000	NIL	NIL
Sri. Athimoolam Naidu	30,000	NIL	67,840
Smt. Arthi Anand	15,000	NIL	Nil
Sri. K. Narendra	45,000	Nil	Nil

**• Executive Directors**

Name	Designation	Salary & Perquisites per annum in Rs.	Ratio to median remuneration
Sri. V.J. Jayaraman	Chairman and Managing Director	40,153	1 : 0.3
Sri. J. Anand	Managing Director	34,85,211	1 : 28.3
Sri. D. Ranganathan	Whole-time Director	10,83,535	1: 8.8

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

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

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: 1029

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

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

K M P	Managing Director	Chief Financial Officer	Company Secretary
Increase in Remuneration	Nil	Nil	Nil
Ratio to median remuneration	1 : 28.3	1: 8.8	1 : 5.2

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

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

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



The Committee meets as and when required, to inter alia deal with matter relating to its term of Reference.

Term of Reference:

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

Based on the report received from SKDC Consultants Limited, the Registrar & Share Transfer Agent, the Company received NIL requests / complaints during the year ended March 31, 2017. As on March 31, 2017 there were no pending requests/complaints from any shareholder.

General Body Meetings:

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

Financial Year	Date	Time	Location	Special Business Transacted
2015-16	26.09.2016	10.00 AM	Nani Palkhivala Auditorium, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore -641 037	Ordinary Resolutions were passed for- 1) reappointment of Sri J. Anand as Managing Director, 2) reappointment of Sri D. Ranganathan as Wholetime Director, 3) appointment of Sri K. Narendra as Independent Director, and 4) fixation of remuneration payable to Sri V.Sakthivel, Cost Accountant for auditing of cost records of the Company.
2014-15	30.09.2015	10.00 AM	Nani Palkhivala Auditorium, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore -641 037	Special Resolution was passed for reappointment of Sri V.J. Jayaraman as Chairman and Managing Director of the Company.
2013-14	25.09.2014	10.45 AM	Nani Palkhivala Auditorium, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore -641 037	Special Resolution was passed for amendment of Articles of Association of the Company.

**Disclosures****A) Related Party Transactions**

The company did not have any materially significant related party transactions having potential conflict with the interest of the company at large. The Details of the related party transaction as per Accounting Standards No.18 forms a part of Notes on accounts of the Financial Statements. All the related party transactions were in the course of business of the company.

B) Accounting Treatment

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

C) Compliance by the Company

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

The Company has implemented the mandatory requirements of Corporate Governance as set out in the Listing Regulations.

Means of Communication

The Quarterly results as well as annual results as required under Reg.33 of the SEBI (LODR) Regulations, 2015 are published in one daily English Newspaper "The Financial Express" and one regional Tamil newspaper "Malai Malar"

The Annual Reports and quarterly reports are made available in the "investor" section of the company's website www.veejaylakshmi.com which is user friendly and are easily downloadable.

General Shareholder Information:**1. Annual General Meeting:**

AGM Date	September 27, 2017 Wednesday
Time	10.00 AM
Venue	Nani Palkhivala Auditorium, Mani Higher Secondary School premises, Coimbatore -641 037

2. Financial Calendar for 2016-17

Financial Year : 1st April ,2016 to 31st March,2017

Board meeting dates for approval of quarterly results:

1st Qtr. ended on June 30, 2016 : within 45 days from the close of quarter
2nd Qtr. ended on September 30, 2016 : within 45 days from the close of quarter
3rd Qtr. ended on December 31, 2016 : within 45 days from the close of quarter
4th Qtr. ended on March 31, 2017 : within 60 days from the close of quarter

Book Closure dates : 21/09/2017 to 27/09/2017 (both days inclusive)

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 exchanges for the Financial Year 2017-18.



3. Stock Code:

Bombay stock Exchange limited : 522267
ISIN with NSDL and CDSL: Equity Shares: INE466D01019

4. Stock Market price data

Market price data (High/Low) during each month in the financial year 2016-2017 on BSE Limited are as under:

Month	High (Rs)	Low (Rs)
April -2016	47.85	38.80
May -2016	51.95	44.10
June -2016	50.45	40.20
July -2016	54.00	46.25
August -2016	56.95	45.70
September -2016	58.80	47.00
October -2016	57.45	47.05
November -2016	53.75	45.00
December -2016	53.75	45.90
January-2017	73.00	48.60
February -2017	72.90	52.20
March- 2017	58.80	50.00

5. 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.

6. 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 31,2017	March 31,2016
Market Capitalisation of the Company (Rs. Lakhs)	2,947	2,277
Issued capital (in Nos)	50,71,900	50,71,900
Closing price at B S E Ltd. (Rs.)	58.10	44.90
Earning per share (Rs.)	-2.49	-7.78
Price Earning Ratio as at closing date	-23.33	-5.77

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.

7. Registrar and share transfer Agents :

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

**8. 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.

9. Distribution of Shareholding as on 31st March 2017

Shareholding of Nominal value of Rs.10 each	No. of Shareholders	% of shareholders	Shareholding in Rs.	% of Shareholding
UPTO to 5,000	5,533	93.59	64,81,310	12.78
5,001 to 10,000	184	3.11	15,13,750	2.98
10,001 to 20,000	90	1.52	13,46,980	2.66
20,001 to 30,000	36	0.61	8,81,770	1.74
30,001 to 40,000	20	0.34	7,23,410	1.43
40,001 to 50,000	13	0.22	6,24,790	1.23
50,001 to 1,00,000	16	0.27	11,91,160	2.35
1,00,001 AND ABOVE	20	0.34	3,79,55,830	74.83
GRAND TOTAL	5,912	100.00	5,07,19,000	100.00

10. Categories of shareholders as on 31st March 2017

Category	No. of Shares Held	% of Shareholding
Promoter Holding		
• Promoter Holding	32,46,117	64.002
Public Share Holding		
• Mutual Funds and UTI	200	0.01
• Banks, Fin. Institutions, Insurance Companies	500	0.01
• Govt. companies		
• FIs	100	0.001
Others		
• Directors & Relatives	72,760	1.434
• Private Corporate Bodies	49,589	0.978
• Indian Public	16,82,645	33.176
• NRI/OBC's	19,989	0.394

11. Dematerialization of shares:

Mode	No. of Shares	%
Demat	47,95,646	94.553
Physical	2,76,254	5.447
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.

12. Plant Locations

The Company's plants are located as under:

- Unit I : Sengalipalayam, NGGO Colony Post, Coimbatore -641 022
- Unit II & III : Kariyampalayam, Annur, Coimbatore -641 653
- Unit IV : Athipalayam Road, Vellamadai (p.o), Coimbatore -641 110
- Textiles Division : Thekkampatti, Mattupalayam Taluk, Coimbatore – 641 113

Wind Mills:

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

13. Address for Correspondence

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

<p>S K D C Consultants Limited Kanapathy Towers 3rd Floor, 1391/A-1, Sathy Road Ganapathy, Coimbatore – 641 006 Phone : + 91 0422-2539835 Email : info@skdc-consultants.com Web : www.skdc-consultants.com</p>	<p>The Company Secretary, Veejay Lakshmi Engineering Works Ltd Sengalipalayam, NGGO Colony post, Coimbatore - 641 022 Phone : +91-422-2460 662 Email : accounts@veejaylakshmi.com compsec@veejaylakshmi.com</p>
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**DECLARATION PURSUANT TO 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, 2017 the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the code of conduct of the Company. It is also confirmed that the Code of Conduct has been posted on the website of the Company.

Coimbatore
26.05.2017

(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 - 641 022

**ANNUAL CONFIRMATION 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, 2017 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
26.05.2017

(Sd/-) D. Ranganathan
Whole time Director (CFO)

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



INDEPENDENT AUDITORS' REPORT

To The Members of Veejay Lakshmi Engineering Works Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Veejay Lakshmi Engineering Works Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Managements' Responsibility for the Financial Statements

The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017 and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143(3) of the Act, we further report that :
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) on the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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"; and
 - g) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long term contracts including derivative contracts; as such the question of commenting on any materials foreseeable losses thereon does not arise.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.
 - iv. The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and the same are in accordance with the books of accounts maintained by the company.

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

(Sd/-) SUGUNA RAVICHANDRAN
Partner

(Membership No. 207893)

Coimbatore
26.05.2017



ANNEXURE - A TO INDEPENDENT AUDITORS' REPORT

Annexure referred to in our Independent Auditors' report to the members of Veejay Lakshmi Engineering Works Limited ('the Company') on the financial statements for the year ended 31 March 2017.

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

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b. As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- c. The title deeds of immovable properties are held in the name of the company.
- (ii) a. The inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
- b. The Company has maintained proper records of inventories and the discrepancies between the physical inventories and the book records which have been properly dealt with in the books of account were not material.
- iii) The Company has not granted any loans, secured or unsecured, to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Hence, the question of reporting whether the terms and conditions of such loans are prejudicial to the interests of the Company and whether reasonable steps for recovery of overdue amounts of such loans are taken does not arise.
- iv) In our opinion and according to the information and explanations given to us, the Company has not given any loans, investments, security and guarantees for loans taken by others. Hence, compliance with the provisions of section 185 and 186 of the Companies Act, 2013 is not required.
- v) The Company has not accepted any deposits from the public covered under section 73 to 76 of the Companies Act 2013.
- vi) The Company is not covered under maintenance of cost records pursuant to section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014.
- vii) a. According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty/Cess and other statutory dues applicable to it.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Value Added Tax, Service Tax, Customs Duty, Excise Duty/Cess were outstanding, as at 31st March, 2017 for a period of more than six months from the date they became payable.
- c. According to the records of the Company, there are no dues of Sales Tax, Income Tax, Value Added Tax, Service Tax, Customs Duty, Excise Duty/Cess which have not been deposited on account of any dispute except as under :



Name of Statute	Nature of Dues	Amount ₹ in Lakhs	Forum where the dispute is pending
Central Excise Act, 1944	Central Excise and Service Tax	3.58*	Customs, Central Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Central Excise and Service Tax	3.14	Customs, Central Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Central Excise and Service Tax	64.33*	Customs, Central Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Central Excise and Service Tax	1.03*	Customs, Central Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Central Excise and Service Tax	11.84	Central Excise Department
Central Excise Act, 1944	Central Excise and Service Tax	24.60	Central Excise Department
Central Excise Act, 1944	Central Excise and Service Tax	0.18	Central Excise Department
Central Excise Act, 1944	Central Excise and Service Tax	1.83	Central Excise Department

*Includes 3.97 lakhs pre deposit amount paid.

- viii) Based on our audit procedures and the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowings to financial institutions, banks, government or debenture holders.
- ix) In our opinion, and according to the information and explanations given to us, we are of the opinion that the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. The term loans availed by the company were applied for the purposes for which they were availed.
- x) During the course of our examination of the books and records of the Company carried out in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees noticed or reported during the course of our audit nor have been informed of any such instance by the management.
- xi) Managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013
- xii) The company is not a Nidhi and hence not covered by the Nidhi Rules, 2014.
- xiii) Based on our audit procedures and the information and explanations given by the management, we are of the opinion that all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details of the same have been disclosed in the financial statements as required by the applicable accounting standards.



- xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year hence compliance of section 42 of the Companies Act, 2013 is not required.
- xv) The company has not entered into any non-cash transactions with the directors or persons connected with the directors, hence compliance of section 192 of the Companies Act, 2013 is not required.
- xvi) As the company is not a Non Banking Financial Company it is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

(Sd/-) **SUGUNA RAVICHANDRAN**
Partner

Coimbatore

26.05.2017

(Membership No. 207893)

ANNEXURE – B - TO INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Veejay Lakshmi Engineering Works Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the 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 internal controls 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 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.

Auditors' 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") 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 applicable to an audit of Internal Financial Controls and, 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 judgment, 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 unauthorized 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 31 March 2017, 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 **N.R. DORAISWAMI & CO.**
Chartered Accountants
(Firm Regn. No.:000771S)

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

Coimbatore
26.05.2017

BALANCE SHEET AS AT 31ST MARCH 2017

Particulars	Note No.	Figures at the end of current reporting period As at 31.03.2017	Figures at the end of previous reporting period As at 31.03.2016
₹ in lakhs			
I. EQUITY AND LIABILITIES			
(1) Share Holders' Funds			
(a) Share Capital	1	507.19	507.19
(b) Reserves and Surplus	2	5,192.21	5,318.43
Sub total (1)		<u>5,699.40</u>	<u>5,825.62</u>
(2) Non Current Liabilities			
(a) Long Term Borrowings	3	953.24	1,001.48
(b) Long-term Provisions	4	47.81	38.42
Sub total (2)		<u>1,001.05</u>	<u>1,039.90</u>
(3) Current Liabilities			
(a) Short term Borrowings	5	923.63	116.75
(b) Trade Payables	6	601.18	520.76
(c) Other Current Liabilities	7	744.93	1,100.52
(d) Short-term provisions	8	39.76	37.05
Sub total (3)		<u>2,309.50</u>	<u>1,775.08</u>
TOTAL LIABILITIES		<u>9,009.95</u>	<u>8,640.60</u>
II. ASSETS			
(1) Non-current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	4,432.08	4,614.82
(ii) Intangible Assets		0.00	0.01
Sub total (1)		<u>4,432.08</u>	<u>4,614.83</u>
(b) Non current Investments	10	3.16	3.16
(c) Deferred Tax Asset	11	362.65	412.01
(d) Long Term Loans and Advances	12	125.93	103.85
Sub total (2)		<u>4,923.82</u>	<u>5,133.85</u>
(2) Current Assets			
(a) Current Investments		0.00	871.62
(b) Inventories	13	3,126.72	1,802.90
(c) Trade Receivables	14	397.01	282.60
(d) Cash and Cash equivalents	15	124.35	129.50
(e) Short term Loans and Advances	16	185.69	67.59
(f) Other current assets	17	252.36	352.54
Sub total (3)		<u>4,086.13</u>	<u>3,506.75</u>
TOTAL ASSETS		<u>9,009.95</u>	<u>8,640.60</u>

See accompanying notes to the financial statements.

As per our report attached For N.R. DORAISWAMI & CO Chartered Accountants (Firm Registration No. 000771S) (Sd/-) SUGUNA RAVICHANDRAN Partner, (Membership No.207893)	(Sd/-) V.J. JAYARAMAN Chairman Cum Managing Director (Sd/-) D. RANGANATHAN Whole-Time Director	(Sd/-) J. ANAND Managing Director (Sd/-) V.K. SWAMINATHAN Company Secretary
Coimbatore 26.05.2017		

**STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2017**

Particulars	Note No.	Figures for	Figures for
		the current reporting period 31.03.2017	the previous reporting period 31.03.2016
₹ in lakhs			
I. Revenue from operations	18	9,155.22	7,879.47
II. Other Income	19	80.23	33.58
III. Total Revenue (I+II)		9,235.45	7,913.05
IV. Expenses			
Cost of Materials consumed	20	5,056.44	4,792.00
Changes in Inventories of Finished goods, Work-in process and Stock in trade	21	-80.32	134.35
Employee Benefits Expense	22	1,486.21	1,096.01
Finance Costs	23	30.98	66.20
Depreciation and amortization expenses		468.58	466.78
Other expenses	24	2,329.93	1,922.76
Total Expenses		9,291.82	8,478.10
V. Profit before exceptional and extraordinary items and tax (III-IV)		-56.37	-565.05
VI. Exceptional items (income(+), expenses(-))	25	0.00	79.87
VII. Profit before extraordinary items and tax (V-VI)		-56.37	-485.18
VIII. Extraordinary items			
IX. Profit before Tax (VI - VIII)		-56.37	-485.18
X. Tax Expense:			
Current Tax		0.00	0.00
Prior year taxes		20.49	0.00
Deferred Tax		49.36	-90.45
XI. Profit and Loss for the period from continuing operations(IX-X)		-126.22	-394.73
XII. Earnings per share Basic & Diluted		-2.49	-7.78

See accompanying notes to the financial statements.

	As per our report attached For N.R. DORAISWAMI & CO Chartered Accountants (Firm Registration No. 000771S) (Sd/-) SUGUNA RAVICHANDRAN Partner, (Membership No.207893)	(Sd/-) V.J. JAYARAMAN Chairman Cum Managing Director (Sd/-) D. RANGANATHAN Whole-Time Director	(Sd/-) J. ANAND Managing Director (Sd/-) V.K. SWAMINATHAN Company Secretary
Coimbatore 26.05.2017			

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017**

	Year ended March,2017	Year ended March,2016
	₹ In lakhs	
A. Cash Flow from Operating Activities		
Net Profit Before Tax and extra ordinary item	-56.37	-485.18
Adjustments for :		
Depreciation	468.58	466.78
Interest paid	30.98	66.20
Profit/Loss on sales of Investments	-64.50	-6.75
Profit/Loss on sale of Assets	-5.91	-155.46
Interest/Dividend Income	-15.73	-26.20
Operating Profit before working capital changes	357.05	-140.61
Adjustments for:		
Trade and Other Receivables	-229.61	1136.18
Trade Payables and other Liabilities	792.56	-1,302.96
Inventories	-1,323.82	1,025.38
Cash generated from operations	-403.82	717.99
Direct Taxes paid	54.21	17.34
Cash flow before extra ordinary items	-349.61	735.33
Net Cash from Operating Activities	-349.61	735.33
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	-303.08	-342.79
Sale of Fixed Assets	23.16	159.19
Redemption of Investments	936.12	-864.87
Interest received	15.55	17.17
Dividend Received	0.68	9.53
Net cash used for Investing Activities	672.43	-1021.77
C. Cash flow from Financing Activities		
Increase/(Repayment) of Long Term borrowings	-296.99	-234.04
Dividends paid	0.00	-1.14
Interest paid	-30.98	-66.20
Net cash from financing activities	-327.97	-301.38
Net Increase in cash and cash equivalents	-5.15	-587.82
Cash and Cash equivalents as at 31.3.2016	129.50	717.32
Cash and Cash equivalents As at 31.3.2017	124.35	129.50

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

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

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

(Sd/-) J. ANAND
Managing Director

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

Coimbatore
26.05.2017

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

Notes No.	Particulars	Figures for the current reporting period	Figures for the previous reporting period
		31.03.2017	31.03.2016
		₹ in lakhs	
1. SHARE CAPITAL			
Equity Share Capital			
Face/par value per share - ₹		10	10
Authorised Capital-Number of shares		1,80,00,000	1,80,00,000
Authorised Capital-Amount Rs. in lakhs		1,800	1,800
Issued, Subscribed and fully paid up Capital - No of shares		50,71,900	50,71,900
Total paid up Capital Value Rs. in lakhs		507.19	507.19
Subscribed but not fully paid		Nil	Nil
No of shares paid up outstanding at the beginning of reporting period		50,71,900	50,71,900
Changes during the reporting period		Nil	Nil
No of shares paid up outstanding at the end of reporting period		50,71,900	50,71,900
No of shares held by persons holding more than 5% of total shares			
Sri V.J. Jayaraman		12,35,494	12,35,494
Smt J. Vidya		7,36,110	7,36,110
Sri J.Anand		12,09,807	12,09,807
Information regarding issue of shares in the last five years			
a) The Company has not issued any shares without payment being received in cash			
b) There has been no issue of Bonus Shares			
c) The Company has not undertaken any buy back of Shares			
Shares reserved for issue of options etc.		Nil	Nil
Securities that can be convertible into shares		Nil	Nil
Calls unpaid		Nil	Nil
Forfeited shares		Nil	Nil
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		3,600.00	3,600.00
Subscribed and Paid up		Nil	Nil


NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Notes No.	Particulars	Figures for the current reporting period 31.03.2017 ₹ in lakhs	Figures for the previous reporting period 31.03.2016
2. RESERVES AND SURPLUS			
(a)	Securities Premium Reserve		
	Share Premium Account	2,116.43	2,116.43
(b)	Other Reserves		
	General Reserve		
	Balance at the beginning of the reporting period	3,574.63	3,574.63
	Additions During the year	0.00	0.00
	Balance at the end of the reporting period	3,574.63	3,574.63
(c)	Capital Reserve		
	Balance at the beginning of the reporting period	100.82	100.82
	Current year addition	0.00	0.00
	Balance at the end of the reporting period	100.82	100.82
(d)	Surplus-Balance in Profit and Loss statement		
	Balance at the beginning of the reporting period	-473.45	-78.72
	Profit / (Loss) after taxes during the year	-126.22	-394.73
	Balance at the end of the reporting period	-599.67	-473.45
	Total Reserves and Surplus	5,192.21	5,318.43
3. LONG TERM BORROWINGS			
A. Term Loans Secured			
	State Bank of India	0.00	35.48
	Total Secured	0.00	35.48
B. Unsecured – Loans and Advances from related parties			
	Loans from Directors	953.24	966.00
	Unsecured loans are from promoters and have no fixed maturity. Repayment dates as decided by the Company / Board of Directors.		
	Total Unsecured Loans	953.24	966.00
	Total Long Term Borrowings	953.24	1,001.48
	Secured/Unsecured borrowings-There is no default/delay in repayment of principal or interest and no amount is over due as at the end of the reporting period		
	There is no redeemed bonds/debentures for which the Company has power to issue		

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

Notes No.	Particulars	Figures for the current reporting period 31.03.2017 ₹ in lakhs	Figures for the previous reporting period 31.03.2016
4. LONG TERM PROVISIONS			
	Provision for Employee benefits - Gratuity	<u>47.81</u>	<u>38.42</u>
5. SHORT TERM BORROWINGS			
	Loans repayable on demand - Secured		
	From Banks (Working Capital facilities - Cash Credit, Export packing credit and Bills discounted)		
	State Bank of India	636.59	111.37
	Bank of Baroda	287.04	5.38
	Secured by a first charge on current assets, mortgage of factory land and buildings and second charge on movable fixed assets on pari passu basis.		
	Total Short term Borrowings	<u>923.63</u>	<u>116.75</u>
	There is no default in payment of principal or interest for the above		
6. TRADE PAYABLES			
	Total outstanding dues of Micro Enterprises and Small Enterprises.	9.07	269.10
	Total outstanding dues of creditors other than micro enterprises and small enterprises	592.11	251.66
	Total Payables	<u>601.18</u>	<u>520.76</u>
7. OTHER CURRENT LIABILITIES			
	Current Maturities of Long Term Debt (Secured) -		
	State Bank of India	0.00	248.75
	Advance Received against sales	732.20	833.37
	Unclaimed Dividends	2.00	2.00
	Liabilities for other Finance-Statutory liability, Tax collection payable, Deduction from Salaries and Wages, etc.	10.73	16.40
	Total Other Current Liabilities	<u>744.93</u>	<u>1,100.52</u>
8. SHORT TERM PROVISIONS			
	Provision for Employee benefits	39.76	37.05
	Total Short Term Provisions	<u>39.76</u>	<u>37.05</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

9. FIXED ASSETS

ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost upto 31.03.2016	Additions	Sales/Transfers	Cost Upto 31/03/2017	Upto 31.03.2016	For the year	Withdrawn during the year	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
	₹ in lakhs									
Land	1,120.09	0.00	0.00	1,120.09	0.00	0.00	0.00	0.00	1,120.09	1,120.09
Buildings	2,602.35	0.00	0.00	2,602.35	1,081.71	75.54	0.00	1,157.25	1,445.10	1,520.64
Plant & Machinery	7,711.72	300.94	29.32	7,983.34	5,814.89	364.73	12.07	6,167.55	1,815.79	1,896.83
Vehicles	68.83	0.00	0.00	68.83	56.13	1.60	0.00	57.73	11.10	12.70
Furniture and fittings	262.84	0.74	0.00	263.58	205.08	22.58	0.00	227.66	35.92	57.76
Office Equipments	166.04	1.40	0.00	167.44	159.24	4.12	0.00	163.36	4.08	6.80
TOTAL	11,931.87	303.08	29.32	12,205.63	7,317.05	468.57	12.07	7,773.55	4,432.08	4,614.82
INTANGIBLE ASSETS										
Computer Software	60.19	0.00	0.00	60.19	60.18	0.01	0.00	60.19	0.00	0.01
Sub Total B	60.19	0.00	0.00	60.19	60.18	0.01	0.00	60.19	0.00	0.01
Total	11,992.06	303.08	29.32	12,265.82	7,377.23	468.58	12.07	7,833.74	4,432.08	4,614.83
Previous Year	11,672.59	342.79	23.32	11,992.06	6,930.03	466.78	19.58	7,377.23	4,614.83	4,742.56

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Notes No.	Particulars	Figures for the current reporting period 31.03.2017 ₹ in lakhs	Figures for the previous reporting period 31.03.2016
10. INVESTMENTS			
(i) In Government or Trust Securities			
	7 Years National Savings Certificate at Cost	0.10	0.10
(ii) In Shares and Bonds			
	1500 Equity Shares of ₹10/- each in M/s Lakshmi Machine Works Limited, fully paid up at cost	0.14	0.14
	10000 Equity Shares of ₹10/- each in M/s Precision Fasteners Limited, fully paid up, at cost	5.00	5.00
	200 Equity Shares of ₹10/- each in M/s IFCI Limited fully paid up at cost	0.04	0.04
	3340 Equity Shares of ₹1/- each in State Bank of India, fully paid up, at cost	1.59	1.59
	13100 Equity shares of Rs.10/- each in M/s Veejay Sales and Services Limited at cost	1.31	1.31
	Total	8.18	8.18
	Less Investment Fluctuation Reserve	5.02	5.02
	Total	3.16	3.16
	Aggregate Value of Quoted Investment – Cost	6.77	
	– Market Value	73.12	
	Aggregate Value of Unquoted Investments – Cost	1.41	
11. DEFERRED TAX ASSET (NET)			
	Carry over Loss and other timing difference items	2,863.64	3,204.56
	Deferred Tax Asset - A	884.87	990.21
	Depreciation	1,690.03	1,871.19
	Deferred Tax Liability - B	522.22	578.20
	Deferred Tax Asset - Net (A-B)	362.65	412.01
12. LONG TERM LOANS AND ADVANCES (Unsecured Considered Good)			
	Security Deposits	125.93	103.85
	Total Long Term Loans and Advances	125.93	103.85
	All the above are unsecured but considered good and no allowance made for bad or doubtful debt		


NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Notes No.	Particulars	Figures for the current reporting period 31.03.2017 ₹ in lakhs	Figures for the previous reporting period 31.03.2016
13. INVENTORIES			
	Raw Materials	1,866.34	728.86
	Components	303.89	206.66
	Scrap	4.80	2.61
	Work-in-Progress	445.31	281.68
	Stores and spares	116.00	102.61
	Finished goods	312.87	398.37
	Retired Assets held for disposal	77.51	82.11
	Total Inventories	3,126.72	1,802.90
14. TRADE RECEIVABLES			
a)	Unsecured considered good		
	Outstanding for a period above six months	0.00	22.95
	Others	397.01	259.65
	Total Trade receivables	397.01	282.60
15. CASH AND CASH EQUIVALENTS			
	Balance with Banks		
–	in Current Accounts	102.46	5.16
–	in Deposit Account with maturity less than 3 months	0.00	60.00
–	in Deposit Accounts	14.13	14.13
–	Deposits for Margin money or for other commitments/security	0.00	18.57
	Ear marked balances with Banks - Unclaimed Dividends	2.00	2.00
	Cash on hand	5.76	29.64
	Total Cash and Cash equivalents	124.35	129.50
16. SHORT TERM LOANS AND ADVANCES			
Unsecured-considered good			
i)	Advance to Suppliers-Others	180.22	59.53
ii)	Advance to Staff and Workers	5.47	8.06
	Total Short Term Loans and Advances	185.69	67.59
17. OTHER CURRENT ASSETS			
	Advance payment of Taxes,TDS & MAT credit entitlements	137.80	212.50
	Cenvat/Vat credit, Duty draw back, tuf subsidy and other receivables	76.77	98.57
	Prepaid Expenses	37.79	41.47
	Total Other Current Assets	252.36	352.54

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Notes No.	Particulars	Figures for the current reporting period 31.03.2017	Figures for the previous reporting period 31.03.2016
		₹ in lakhs	
18. REVENUE FROM OPERATIONS			
a) Sale of Products		9,454.84	8,039.00
b) Sale of Services		104.35	17.00
c) Other operating revenues		67.75	67.43
Sub total		9,626.94	8,123.43
Less Excise Duty		471.72	243.96
Revenue net of Excise Duty		9,155.22	7,879.47
19. OTHER INCOME			
Interest Income		15.05	16.67
Rent receipts		0.00	0.63
Dividend Receipts		0.68	9.53
Net gain/Loss on sale of investments		64.50	6.75
Total Other Income		80.23	33.58
20. COST OF MATERIALS CONSUMED			
Raw materials - Ferrous		847.22	507.05
Raw materials - Non-Ferrous		158.22	75.77
Raw materials - Castings		152.87	81.42
Raw materials - Non metals		107.20	59.73
Components		931.50	749.10
Cotton Consumed		2,859.43	3,318.93
Materials consumed		5,056.44	4,792.00
21. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN PROCESS AND STOCK IN TRADE			
Opening stock		682.66	817.01
Closing stock		762.98	682.66
(Increase) / Decrease		-80.32	134.35
22. EMPLOYEE BENEFITS			
Salary, Wages, Gratuity, etc		1,252.13	911.36
Contribution to Provident Fund		63.90	42.87
Staff and Labour Welfare expenses		170.18	141.78
Total Employee Cost		1,486.21	1,096.01
23. FINANCE COSTS			
Interest expense		16.01	52.85
Other borrowing costs		14.97	13.35
Total Finance Cost		30.98	66.20


NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Notes No.	Particulars	Figures for the current reporting period 31.03.2017 ₹ in lakhs	Figures for the previous reporting period 31.03.2016
24. OTHER EXPENSES			
	Stores consumed	414.52	330.59
	Fabrication Charges	312.73	206.44
	Power and Fuel	820.27	832.89
	Freight	93.93	110.86
	Printing and Stationery	12.95	11.51
	Postage and Telephone	16.67	14.18
	Travelling and Vehicle Maintenance	63.40	70.17
	Insurance	8.46	4.14
	Rent	6.23	6.04
	Bank Charges	11.87	11.38
	Licences and Taxes	69.52	46.32
	Sales commission	167.87	58.69
	Sales promotion & Advertisement expenses	45.01	5.56
	Subscription and periodicals	4.12	3.73
	Directors' sitting fees	1.95	1.16
	Audit fees	1.27	1.20
	Legal and Professional charges	20.19	20.97
	Repairs and Maintenance-Buildings	20.24	20.90
	Repairs and Maintenance-Machinery	225.18	160.99
	Repairs and Maintenance-Others	13.51	22.60
	Bad Debts written off	0.00	5.66
	Foreign Exchange Loss/(Gain)	-0.73	-24.48
	Donations	0.77	1.26
	Total Other Expenses	2,329.93	1,922.76
25. EXCEPTIONAL ITEMS			
	Profit on Sale of Assets	0.00	155.46
	VRS Payment	0.00	-75.59
	Total	0.00	79.87

See accompanying notes to the financial statements.

	As per our report attached For N.R. DORAISWAMI & CO Chartered Accountants (Firm Registration No. 000771S)	(Sd/-) V.J. JAYARAMAN Chairman Cum Managing Director	(Sd/-) J. ANAND Managing Director
Coimbatore 26.05.2017	(Sd/-) SUGUNA RAVICHANDRAN Partner, (Membership No.207893)	(Sd/-) D. RANGANATHAN Whole-Time Director	(Sd/-) V.K. SWAMINATHAN Company Secretary



NOTE FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31.03.2017

I. SIGNIFICANT ACCOUNTING POLICIES

- A. System of Accounting:** The Financial Statements are prepared under historical cost convention and on accrual basis in accordance with the applicable accounting standards.
- B. Use of Estimates:** The preparation of the financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known/materialized.
- C. Recognition of Income and Expenditure:** Revenue from sale transaction is recognized as and when the property in the goods is sold /transferred to the buyer for a definite consideration. Revenue from service transactions and other source is recognized on the completion of the contract. Dividends from investments, export incentive under Duty Drawback scheme are recognized when the right to receive payments/credit is established and there is no uncertainty regarding the amount of consideration or its collectability.
- D. Fixed Assets/Borrowing Costs:** Fixed Assets are capitalized at cost inclusive of erection expenses and other incidental expenses in connection with the acquisition of the assets and net of Cenvat Credit /TED and VAT, if any, to the extent it could be adjusted against the Excise Duty/VAT liability of the Company. The borrowing cost on the additions to fixed assets is capitalized in accordance with AS 16.
- E. Depreciation:** Depreciation on Fixed Assets has been provided on useful life of the assets in accordance with Schedule II of the Companies Act, 2013.
- F. Taxation:** Provision for taxation is made as per estimated total income after considering various reliefs under the provisions of the Income-Tax Act, 1961. In accordance with AS 22, the deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been enacted as of the balance sheet date.
- G. Employee Benefits:** The provision has been made as required under AS 15. Bonus has been provided as per practice followed in earlier years. For Gratuity, Leave encashment and accumulated compensated absences provision has been made based on the estimates provided by an actuary.
- H. Foreign Exchange Transactions:** The transactions in respect of import of materials and export sales have been accounted for at the rates of exchange prevailing on the date of the transactions. However, in respect of transactions remaining unpaid/unrealized, exchange rates prevailing at the end of the year have been adopted. Difference arising out of fluctuation in the exchange for the above transaction has been taken to a separate account, which is debited/credited to the Profit and Loss Account. Wherever Forward Contracts have been entered, the premium or discount has been recognized over the period of the contract and the exchange differences on these contracts have been adjusted during the period in which the differences have taken place. All forward contracts have been entered only for import or export transactions of the Company and no contract has been entered for speculative purposes. The Company has no foreign operations.



NOTE FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31.03.2017 (Contd....)

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

**NOTE FORMING PART OF FINANCIAL STATEMENT
FOR THE YEAR ENDED 31.03.2017**

Particulars	Figures as at 31.03.2017 ₹ in lakhs	Figures as at 31.3.2016
2. EXPENDITURE IN FOREIGN CURRENCY		
A. Value of Imports made on CIF basis		
i. Raw Materials and Components	1,244.87	116.03
ii. Spare parts and consumables	24.29	9.82
iii. Capital goods	512.18	124.78
Total	1,781.34	250.63
B. Other expenses in Foreign currency	22.06	14.80
3. Consumption		
i. Total value of all imported raw materials, components and spare parts consumed	628.32	373.67
% to total	12%	8%
ii. Total value of all indigenous raw materials, components and spare parts consumed	4,428.12	4,418.33
% to total	88%	92%
Total consumption	5,056.44	4,792.00
4. Earnings in Foreign Currency		
Export of goods-f.o.b. value	1,855.14	3,047.13
5. CONTINGENT LIABILITIES AND COMMITMENTS		
a. Duty liability and interest on account of pending export obligation against EPCG Licences	35.00	35.00
b. Amounts claimed by Customs, Excise and Market committee authorities disputed in appeals	46.20	9.26
c. Guarantees issued by Banks on behalf of the Company	0.00	108.08
d. Letter of credits issued by Banks on behalf of the Company	12.78	10.84
e. Estimated amount of capital contracts remaining to be executed	0.00	2.26
f. Arbitration awards were made in favour of two foreign cotton suppliers. This has been challenged by the Company in the Court-of-Law	69.45	71.03
6. Research and Development expenses incurred	18.26	30.02
7. Gain (Loss) on account of foreign exchange difference included in the profit and loss account on trade payable / receivables included under other Operating Revenues	0.73	24.48



**NOTE FORMING PART OF FINANCIAL STATEMENT
FOR THE YEAR ENDED 31.03.2017**

8. RELATED PARTY DISCLOSURES FOR THE YEAR ENDED 31.03.17 (₹ In Lakhs)

Particulars		Associated Companies/ Firms	Key Managerial personnel
Purchase of goods and services-raw materials, components and engineering job works	2016-17	228.49	
	2015-16	693.05	
Sale of machinery, spares, raw materials, components and job works	2016-17	667.47	
	2015-16	352.56	
Rent paid	2016-17	4.80	1.23
	2015-16	4.80	1.23
Managerial remuneration	2016-17		46.08
	2015-16		35.00
Unsecured loans	2016-17		953.24
	2015-16		966.00
Interest paid on loans	2016-17		0.00
	2015-16		7.66
Outstanding due from the Company	2016-17	139.63	
	2015-16	325.66	
Outstanding due to the Company	2016-17	53.58	
	2015-16	41.66	

A. 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. Augustan Coimbatore Knitting Company Limited
4. M/s. Lakshmi Card Clothing Manufacturing Co. Ltd.
5. M/s. Sree Meenakshi And Co
6. M/s. Team Tiger Enterprises Pvt Ltd
7. M/s. Sasirekha & Co.

The transactions are in the ordinary course of business of the Company and do not fall under class of material transactions. Necessary approvals were obtained from the Board of Directors of the Company.

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

1. M/s. The Krishna Mills Private Limited
2. M/s. Prathishta Weaving & Knitting Co. Ltd
3. M/s. Augustan Knit Wear Pvt. Ltd.
4. M/s. Augustan Textile Colors Limited

C. Name of the Key Managerial Personnel

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

**NOTE FORMING PART OF FINANCIAL STATEMENT
FOR THE YEAR ENDED 31.03.2017**

9. The details of employee benefits for the period on account of gratuity which is a funded defined employee benefit plan is as under:

Particulars	Gratuity (Funded)	
	31.03.2017	31.03.2016
A. Expense recognised during year ended 31.03.2017		
1. Current Service cost	5,06,311	6,91,441
2. Interest Cost	3,02,553	7,85,232
3. Expected return on plan assets	-19,519	-19,608
4. Actuarial Losses / (Gains) during the year	7,04,098	-36,21,443
5. Direct payment/Past service cost vested benefits	0	0
6. Total Expense	14,93,443	-21,64,378
B. Actual return on Plan assets		
1. Expected return on plan assets	19,519	19,608
2. Actuarial (Loss) / Gain on Plan assets	-19,519	-19,608
C. Net Asset/(Liability) recognised in the Balance Sheet		
1. Present value of the obligation as on 31.03.2017	49,97,615	40,59,643
2. Fair value of plan assets as on 31.03.2017	2,16,165	2,17,588
3. Funded status (surplus(deficit))	-47,81,450	-38,42,055
4. Unrecognised past service cost	0	0
5. Net Asset/(Liability) recognised in the Balance sheet	-47,81,450	-38,42,055
D. Change in Present value of the Obligation during the year ended March 31,2017		
1. Present value of the obligation as at April 1, 2016	40,59,643	1,39,10,128
2. Current service cost	5,06,311	6,91,441
3. Interest cost	3,02,553	7,85,232
4. Benefits paid	-5,55,471	-76,86,106
5. Actuarial (gain) / loss on obligation	6,84,579	-36,41,052
6. Present value of obligation as at March 31,2017	49,97,615	40,59,643
E. Change in Assets during the year ended March 31, 2017		
1. Fair value of plan assets as at April 1, 2016	2,17,588	2,18,156
2. Expected return on plan assets	19,519	19,608
3. Contributions made	5,54,048	76,85,538
4. Benefits paid	-1,423	-568
5. Direct Benefit Payments	-5,54,048	-76,85,538
6. Actuarial gain / (loss) on plan assets	-19,519	-19,608
7. Fair value of plan assets as at March 31, 2017	2,16,165	2,17,588
F. Major categories of plan assets as a percentage of total plan		
Qualifying insurance policies	0	790
Own plan assets	2,16,165	2,16,798
Total	2,16,165	2,17,588



**NOTE FORMING PART OF FINANCIAL STATEMENT
FOR THE YEAR ENDED 31.03.2017**

10. SEGMENT REPORT FOR THE YEAR ENDED 31.3.17

₹ in lakhs

Revenue	31.3.17					31.3.16				
	Engg. Dvn.	Wind Mill Dvn.	Textile Dvn.	Unallocated/Corporate	Total	Engg. Dvn.	Wind Mill Dvn	Textile Dvn	Unallocated/Corporate	Total
External Sales	4,412	323	4,420		9,155	3,160	229	4,490		7,879
Inter Segment Transfers	1	0	0		1	1	0	0		1
Total Revenue	4,413	323	4,420		9,156	3,161	229	4,490		7,880
Result										0
Segment Result	-139	233	-135		-41	-181	143	-432		-470
Interest Expense				-31	-31				-66	-66
Interest Income				16	16				17	17
Income Taxes				-70	-70				90	90
Unallocable Income/expenses					0				34	34
Profit from Ordinary Activities					-126					-395
Extra Ordinary Items					0					0
Net Profit					-126					-395
Total Assets	2,219	660	4,472	1,659	9,010	1,901	671	3,467	2,601	8,640
Total Liabilities	1,122	0	309	7,579	9,010	1,145	0	301	7,194	8,640
Capital Expenditure	0	0	303		303	0	0	343		343
Depreciation	98	50	279	41	468	103	50	284	30	467

**NOTE FORMING PART OF FINANCIAL STATEMENT
FOR THE YEAR ENDED 31.03.2017**

11. As defined under Micro, small and Medium Enterprises Development Act 2006, the disclosure in respect of the amount payable to such enterprises as at 31.03.2017 has been made in the financial statements based on information received and available with the company.

	31-03-2017	31-03-2016
	₹ in lakhs	
a) The Principal amount due there on remaining unpaid to any supplier as at the end of each accounting year	9.07	269.10
b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Deveopment Act, 2006 along with the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
c) The amount of interest due and payable for the period of delay in making payment (Which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	Nil	Nil
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the dues are actually paid for the purpose of disallowance under Section 23 of the Micro, Small and Medium Enterprises Deveopment Act, 2006.	Nil	Nil

12. Earnings per share

Profit before taxes	-56.37	-485.18
Tax	69.85	-90.45
Profit After Tax	-126.22	-394.73
No of equity shares	50,71,900	50,71,900
Earnings per share - ₹	-2.49	-7.78


13. Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016.

Particulars	SBN	Other Denomination Notes	Total
	₹ in lakhs		
Closing cash in hand as on 08.11.2016	10.37	8.26	18.63
(+) Permitted Receipts	-	9.97	9.97
(-) Permitted Payments	10.37	1.93	12.30
(-) Amount Deposited in Banks	-	-	-
Closing Cash in hands on 30.12.2016	-	16.30	16.30

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

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

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

(Sd/-) J. ANAND
Managing Director

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

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

Coimbatore
26.05.2017



CONSOLIDATED INDEPENDENT AUDITORS' REPORT

To The Members of Veejay Lakshmi Engineering Works Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Veejay Lakshmi Engineering Works Limited ("the Company") and its associate, which comprise the Consolidated Balance Sheet as at March 31, 2017, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Managements' Responsibility for the Consolidated Financial Statements

The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.



Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its associate as at 31st March, 2017 and its consolidated Loss and its consolidated cash flows for the year ended on that date.

Other Matters

- (a) We did not audit the financial statements of VEEJAY SALES AND SERVICES LIMITED; associate, whose financial statements reflect total assets of ₹757.50 Lakhs as at 31st March, 2017, (Previous Year ended 31st March, 2016: ₹1,074.09 Lakhs) total revenues of ₹125.52 Lakhs (Previous Year ended 31st March, 2016 ₹543.11 Lakhs), as considered in the consolidated financial statements. The consolidated financial statements include the company's share of net profit of ₹6.05 Lakhs for the year ended 31st March 2017, as considered in the consolidated financial statements, in respect of Veejay Sales and Services Limited associate, whose financial statement /financial information have not been audited by us. The financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far it relates to the amounts and disclosures included in respect of this associate is based solely on the reports of the other auditor 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 auditors.

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 reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we further report to the extent applicable, that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit 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 appears from our examination of those books and the reports of the other auditors;
 - c) the Consolidated Balance Sheet, Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the 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 Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) on the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors of the company and the report of the statutory auditors of its associate company, none of the directors is disqualified as on March 31, 2017, 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 "; and



- g) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Group does not have any pending litigations which would impact its consolidated financial position of the Company.
 - ii. The Group did not have any long term contracts including derivative contracts; as such the question of commenting on any materials foreseeable losses thereon does not arise.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Production Fund by the Company and its Associate Company.

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

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

Coimbatore
26.05.2017

ANNEXURE – TO CONSOLIDATED INDEPENDENT AUDITORS’ REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of Veejay Lakshmi Engineering Works Limited (“the Company”) and its associate company, Veejay Sales and Services Limited, which is a company 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 internal controls 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 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.

Auditors’ 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 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 judgment, 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 and the audit evidence obtained by the other auditor in terms of their reports referred to in the other matters paragraph 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 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, 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 and its associate company have, 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 31 March 2017, 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 **N.R. DORAISWAMI & CO.**
Chartered Accountants
(Firm Regn. No.:000771S)

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

Coimbatore
26.05.2017



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2017

Particulars	Note No.	Figures at the end of current reporting period	Figures at the end of previous reporting period
		As at 31.03.2017	As at 31.03.2016
₹ in lakhs			
I. EQUITY AND LIABILITIES			
(1) Share Holders' Funds			
(a) Share Capital	1	507.19	507.19
(b) Reserves and Surplus	2	5,301.52	5,421.69
Sub total (1)		5,808.71	5,928.88
(2) Non Current Liabilities			
(a) Long Term Borrowings	3	953.24	1,001.48
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long Term Liabilities		-	-
(b) Long-term Provisions	4	47.81	38.42
Sub total (2)		1,001.05	1,039.90
(3) Current Liabilities			
(a) Short term Borrowings	5	923.63	116.75
(b) Trade Payables	6	601.18	520.76
(c) Other Current Liabilities	7	744.93	1,100.52
(d) Short-term provisions	8	39.76	37.05
Sub total (3)		2,309.50	1,775.08
TOTAL LIABILITIES		9,119.26	8,743.86
II. ASSETS			
(1) Non-current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	4,432.08	4,614.82
(ii) Intangible Assets		-	0.01
(iii) Capital Work-in-process		-	-
(iv) Intangible assets under development		-	-
Sub total (1)		4,432.08	4,614.83
(b) Non current Investments	10	112.47	106.42
(c) Deferred Tax Asset	11	362.65	412.01
(d) Long Term Loans and Advances	12	125.93	103.85
Sub total (2)		5,033.13	5,237.11
(2) Current Assets			
(a) Current Investments		-	871.62
(b) Inventories	13	3,126.72	1,802.90
(c) Trade Receivables	14	397.01	282.60
(d) Cash and Cash equivalents	15	124.35	129.50
(e) Short term Loans and Advances	16	185.69	67.59
(f) Other current assets	17	252.36	352.54
Sub total (3)		4,086.13	3,506.75
TOTAL ASSETS		9,119.26	8,743.86

See accompanying notes to the financial statements.

	As per our report attached For N.R. DORAISWAMI & CO Chartered Accountants (Firm Registration No. 000771S) (Sd/-) SUGUNA RAVICHANDRAN Partner, (Membership No.207893)	(Sd/-) V.J. JAYARAMAN Chairman Cum Managing Director	(Sd/-) J. ANAND Managing Director
Coimbatore 26.05.2017		(Sd/-) D. RANGANATHAN Whole-Time Director	(Sd/-) V.K. SWAMINATHAN Company Secretary



**CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31st MARCH, 2017**

Particulars	Note No.	Figures for the current reporting period 31.03.2017 ₹ in lakhs	Figures for the previous reporting period 31.03.2016
I. Revenue from operations	18	9,155.22	7,879.47
II. Other Income	19	80.23	33.58
III. Total Revenue (I+II)		9,235.45	7,913.05
IV. Expenses			
Cost of Materials consumed	20	5,056.44	4,792.00
Changes in inventory of finished goods, work-in-process and Stock in trade	21	-80.32	134.35
Employee Benefits Expense	22	1,486.21	1,096.01
Finance Costs	23	30.98	66.20
Depreciation and amortization expenses		468.58	466.78
Other expenses	24	2,329.93	1,922.76
Total Expenses		9,291.82	8,478.10
V. Profit before exceptional and extraordinary items and tax (III-IV)		-56.37	-565.05
VI. Exceptional items (income(+), expenses(-))	25	-	79.87
VII. Profit before extraordinary items and tax (V-VI)		-56.37	-485.18
VIII. Extraordinary items			
IX. Profit before Tax (VI - VIII)		-56.37	-485.18
X. Tax Expense:			
Current Tax		-	-
Prior year taxes		20.49	-
Deferred Tax		49.36	-90.45
XI. Profit and Loss for the period from continuing operations (IX-X)		-126.22	-394.73
XII. Earnings per Share			
Basic & Diluted		-2.49	-7.78

See accompanying notes to the financial statements.

	As per our report attached For N.R. DORAISWAMI & CO Chartered Accountants (Firm Registration No. 000771S)	(Sd/-) V.J. JAYARAMAN Chairman Cum Managing Director	(Sd/-) J. ANAND Managing Director
Coimbatore 26.05.2017	(Sd/-) SUGUNA RAVICHANDRAN Partner, (Membership No.207893)	(Sd/-) D. RANGANATHAN Whole-Time Director	(Sd/-) V.K. SWAMINATHAN Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017**

	Year ended March,2017	Year ended March,2016
	₹ In lakhs	
A. Cash Flow from Operating Activities		
Net Profit Before Tax and extra ordinary item	-56.37	-485.18
Adjustments for :		
Depreciation	468.58	466.78
Interest paid	30.98	66.20
Profit/Loss on sales of Investments	-64.50	-6.75
Profit/Loss on sale of Assets	-5.91	-155.46
Interest/Dividend Income	-15.73	-26.20
Operating Profit before working capital changes	357.05	-140.61
(Increase)/Decrease in Trade and Other Receivables	-229.61	1136.18
Increase/(Decrease) in Payables	792.56	-1,302.96
Decrease/(Increase) in Inventories	-1,323.82	1,025.38
Cash generated from operations	-403.82	717.99
Direct Taxes paid	54.21	17.34
Cash flow before extra ordinary items	-349.61	735.33
Net Cash from Operating Activities	-349.61	735.33
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	-303.08	-342.79
Sale of Fixed Assets	23.16	159.19
Redemption of Investments	936.12	-864.87
Interest received	15.55	17.17
Dividend Received	0.68	9.53
Net cash used for Investing Activities	672.43	-1021.77
C. Cash flow from Financing Activities		
Increase/(Repayment) of Long Term borrowings	-296.99	-234.04
Dividends paid	-	-1.14
Interest paid	-30.98	-66.20
Net cash from financing activities	-327.97	-301.38
Net Increase in cash and cash equivalents	-5.15	-587.82
Cash and Cash equivalents as at 31.3.2016	129.50	717.32
Cash and Cash equivalents as at 31.3.2017	124.35	129.50

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

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

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

(Sd/-) J. ANAND
Managing Director

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

Coimbatore
26.05.2017



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Notes No.	Particulars	Figures for the current reporting period 31.03.2017 ₹ in lakhs	Figures for the previous reporting period 31.03.2016
2. RESERVES AND SURPLUS			
(a)	Securities Premium Reserve		
	Share Premium Account	2,116.43	2,116.43
(b)	Other Reserves		
	General Reserve		
	Balance at the beginning of the reporting period	3,574.63	3,574.63
	Additions During the year	-	-
	Balance at the end of the reporting period	3,574.63	3,574.63
(c)	Capital Reserve		
	Balance at the beginning of the reporting period	100.82	100.82
	Current year addition	-	-
	Total	100.82	100.82
(d)	Surplus-Balance in Profit and Loss statement		
	Balance at the beginning of the reporting period	-370.19	-78.72
	Profit/(Loss) after taxes during the year	-126.22	-394.73
	Add : Share of Profit of Associate upto 31.03.2015	-	115.45
	Add : Share of Profit of Associate for the year	6.05	-12.19
	Closing Balance	-490.36	-370.19
	Total Reserves and Surplus	5,301.52	5,421.69
10. INVESTMENTS			
(i)	In Government or Trust Securities		
	7 Years National Savings Certificate at Cost	0.10	0.10
(ii)	In Shares and Bonds		
	1500 Equity Shares of ₹10/- each in M/s Lakshmi Machine Works Limited, fully paid up at cost	0.14	0.14
	10000 Equity Shares of ₹10/- each in M/s Precision Fasteners Limited, fully paid up, at cost	5.00	5.00
	200 Equity Shares of ₹10/- each in M/s IFCI Limited fully paid up at cost	0.04	0.04
	3340 Equity Shares of ₹1/- each in State Bank of India, fully paid up, at cost	1.59	1.59



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017**

Notes No.	Particulars	Figures for the current reporting period 31.03.2017 ₹ in lakhs	Figures for the previous reporting period 31.03.2016
	13100 Equity shares of Rs.10/- each in M/s Veejay Sales and Services Limited	110.62	104.57
	Total	117.49	111.44
	Less Investment Fluctuation Reserve	5.02	5.02
	Total	112.47	106.42
	Aggregate Value of Quoted Investment – Cost	6.77	
	– Market Value	73.12	
	Aggregate Value of Unquoted Investments – Cost	110.72	

Note:

For other Notes to Consolidated Financial Statements, kindly refer to Notes forming part of standalone financial statements for the year ended 31st March 2017.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2017**

A. PRINCIPLES OF CONSOLIDATION:

- Investments in Associates are dealt with in accordance with Accounting Standard (AS) 23 'Accounting for Investments in Associates in Consolidated Financial Statements'. Effect has been given to the carrying amount of investments in associates using the 'Equity method'. The Company's share of the pre and post acquisition profits or losses is included in the carrying cost of investments.
- The financial statements of the associate company used in the consolidation are drawn upto the same reporting date as of the Company i.e. March 31, 2017.

B. SIGNIFICANT ACCOUNTING POLICIES:

Accounting Policies for the consolidated financial statements are the same as followed for the standalone financial statements, except for the investment in associates which has been computed as per AS 23.

- For all other notes/details to Consolidated Financial Statements, kindly refer to Notes forming part of standalone financial statements for the year ended 31st March 2017.

	As per our report attached For N.R. DORAISWAMI & CO Chartered Accountants (Firm Registration No. 000771S)	(Sd/-) V.J. JAYARAMAN Chairman Cum Managing Director	(Sd/-) J. ANAND Managing Director
Coimbatore 26.05.2017	(Sd/-) SUGUNA RAVICHANDRAN Partner, (Membership No.207893)	(Sd/-) D. RANGANATHAN Whole-Time Director	(Sd/-) V.K. SWAMINATHAN Company Secretary

Form No. MGT-11

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

PROXY FORM

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 42nd Annual General Meeting of the company, to be held on Wednesday, the 27th September, 2017 at 10.00 am at 'Nani Kalai Arangam,' Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641 037 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No. ()

Signed this ____ day of _____ 2017.

(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 ANNUAL GENERAL MEETING of the Company at 'Nani Kalai Arangam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore – 641 037 on Wednesday the 27th September 2017 at 10.00 AM.

Signature of the member or Proxy

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ROUTE MAP TO MEETING HALL



