



# 40<sup>th</sup> ANNUAL REPORT 2013-2014

VELJAN DENISON LIMITED



<b>BOARD OF DIRECTORS</b>	: Shri. V. C. JANARDAN RAO Chairman
	Shri. SRINIVAS VG Managing Director
	Shri. G. K. KABRA Independent Director
	Shri . M.L. MOTWANI Independent Director
	Shri, V. PATTABHI Independent Director
	Shri. B.S.SRINIVASAN Independent Director
	Smt. U.UMA DEVI Additional Director (w.e.f 30th July, 2014)
<b>COMPANY SECRETARY</b>	: K. GIRIJA BALA
<b>CHIEF FINANCIAL OFFICER</b>	: DHEERAJ KUMAR
<b>AUDITORS</b>	: M/S. BRAHMAYYA & CO Chartered Accountants Flat No 403 & 404, 4th Floor Golden Green Apartments, Erramanzil Colony, Hyderabad - 500082
<b>BANKERS</b>	: Canara Bank Syndicate Bank
<b>REGISTERED OFFICE</b>	: Plot No.44, 4th Floor, HCL Towers, Chikoti Gardens, Begumpet, Hyderabad- 500016, Telangana. Ph.No.040-27764546 Fax No.040-27765253
<b>FACTORY</b>	: Plot No. 10, Phase-I, I.D.A, Industrial Development Area, Patancheru - 502 319, Medak District, Telegana Ph.No.08455-242013, 242020 & 242049, Fax No.08455-242085
<b>REGISTRAR AND SHARE TRANSFER AGENTS</b>	: M/s Venture Capital and Corporate Investments Limited 12-10-167, Bharath Nagar, Hyderabad - 500 018. Phone : 040-23818475



---

**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 40th Annual General Meeting of the Company Veljan Denison Limited (CIN: L29119TG1973PLC001670) will be held on Tuesday the 30th day of September, 2014, at 11.30 A.M. at Plot No. A18 & 19, APIE, Balanagar, Hyderabad - 500 037, Telangana to transact the following business:

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and Profit & Loss account for the year ended as at that date and the Reports of the Directors' and Auditors' thereon.
2. To declare Dividend for the year ended 31st March, 2014.
3. To elect and appoint a Director in place of Shri G K Kabra who is liable to retire by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution

“RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. Brahmayya & Co, Chartered Accountants, Hyderabad having Firm Registration No.000513S allotted by The Institute of Chartered Accountants of India, be and are hereby appointed as the Statutory Auditors of the Company for a period of 3 years, to hold office from the conclusion of this Annual General Meeting till the conclusion of Annual General Meeting of the Company to be held in the year 2017, subject to ratification at every Annual General Meeting and that the Board be and is hereby authorised to fix their remuneration.”

**SPECIAL BUSINESS:**

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

“RESOLVED that pursuant to section 197 of the Companies Act, 2013 and other applicable provision if any, approval of the Members be and is hereby accorded for payment to the Directors of the company, other than Managing Director and Whole Time Director, commission at the rate not exceeding 1% of the net profit of the Company to be equally divided amongst them (and this authorization for payment of commission on net profits shall remain valid) for a period of 5(five) years from Financial Year 2013-2014.

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

“RESOLVED that pursuant to the provisions of Section 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Mrs. Umadevi Uppaluri (DIN 00125840), who was appointed as Additional Director of the Company effective from 30th July, 2014, be and is hereby appointed as Director (Woman Director) of the Company, who is liable to retire by rotation.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and 160 and other applicable provisions, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri G.K.Kabra (DIN: 00038530), be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 30th September, 2014 and to receive remuneration by way of fees, reimbursement of expenses for participation in the meetings of the board and / or committees and profit related commission in terms of applicable provisions of the Companies Act, 2013 as determined by the Board from time to time.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and 160 and other applicable provisions, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Mohanlal Lilaram Motwani (DIN: 00126584) be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 30th September, 2014 and to receive remuneration by way of fees, reimbursement of expenses for participation in the meetings of the board and / or committees and profit related commission in terms of applicable provisions of the Companies Act, 2013 as determined by the Board from time to time.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149,150,152 and 160 and other applicable provisions, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Pattabhi Vangala (DIN: 00200157), be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 30th September, 2014 and to receive remuneration by way of fees, reimbursement of expenses for participation in the meetings of the board and / or committees and profit related commission in terms of applicable provisions of the Companies Act, 2013 as determined by the Board from time to time.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149,150,152 and 160 and other applicable provisions, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Subbiah Srinivasan Battina (DIN: 00482513), be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 30th September,2014 and to receive remuneration by way of fees, reimbursement of expenses for participation in the meetings of the board and / or committees and profit related commission in terms of applicable provisions of the Companies Act, 2013 as determined by the Board from time to time.”

By order of the Board  
FOR VELJAN DENISON LIMITED

Place: Hyderabad  
Date: 01-09-2014

V. C. Janardan Rao  
Chairman

**Registered Office:**

Plot No.44, 4th Floor, HCL Towers, Chikoti Gardens,  
Begumpet, Hyderabad - 500 016, Telangana  
Email : comp\_secy@veljan.in  
www.veljan.in

---

**Notes:**

- a) An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business items as set out in the Notice is annexed hereto.
- b) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the Company. The instrument appointing a proxy, to be effective, should be deposited at the registered office of the Company not less than 48 hours before the Meeting.
- c) Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
- d) The Share Transfer Register and Members Register will remain closed from 27th September, 2014 to 30th September, 2014 (both days inclusive) for the purpose of Dividend and Annual General Meeting.
- e) The Dividend on Equity Shares as recommended by the Board of Directors for the year ended 31st March, 2014 will be payable to those members whose names appear in the Register of Members of the Company as on 26th September, 2014. In case of shares held in Electronic Form, the dividend will be payable on the basis of beneficial ownership as per the details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose as on 26th September, 2014.
- f) Members/proxies are requested to fill in the enclosed attendance slip and deposit the same at the entrance of the meeting gate.
- g) Members are requested to intimate immediately to the Company, change of address, if any.
- h) Pursuant to the requirements of the Listing agreement of Stock Exchanges on Corporate Governance, the information about the Directors proposed to be appointed / re-appointed is given in the annexure to the Notice.
- i) To avoid entry of unauthorized persons into the meeting premises, the signature of the members shall be verified with the specimen signature recorded with the Company, at the entrance of the Venue. Inconvenience to members in this regard is highly regretted. The members are requested to carry their folio number with them.
- j) Members who hold shares in dematerialized form are requested to bring their client ID and DPID numbers for easy identification.
- k) Voting through electronic means;



- a. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Securities Depository Limited (CSDL).
- b. The instructions for e-voting are as under:

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “COMPANY NAME” from the drop down menu and click on “SUBMIT”
- (iv) Now enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Physical Form	For Members holding shares in Demat Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account Bank or in the company records for the said demat account or folio.	



\*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of your name and the Folio Number in the PAN field. eg. If your name is Ramesh Kumar with Folio Number 1 then enter RA00000001 in the PAN field.

# Please enter any one of the details in order to login. In case both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on <Company Name> on which you choose to vote.
- (xi) 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.
- (xii) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
- (xiii) 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.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

(xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.

(xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The e-voting period commences on 25th September 2014 (9:00 am) and ends on 27th September, 2014 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 29th August, 2014, may cast their vote electronically. The e voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (C) 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.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 29th August 2014.

Mr. M.Vijaya Bhaskara Rao, Practicing Company Secretary (Membership No.FCS6273) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

---

**Explanatory Statement**

(Pursuant to the provisions of Section 102 of the Companies Act, 2013)

**Item 5 :**

The operations of the company are steadily improving with the active role and guidance of the Directors. Hence, as before ,it is proposed to pay commission on net profit to all Directors other than Managing Director and whole Time Director which is permissible under the Companies Act, 2013 for a period of 5 years from the financial year 2013-2014.

Your Directors recommended the resolution for your approval.

All the Directors except the Managing Director are interested in the resolution to the extent of commission payable to them in accordance with the proposed resolution.

**Item No. 6:**

Mrs. Umadevi Uppaluri was appointed as an additional director (Woman Director) of the Company on 30th July, 2014 under section 161 of the Act. Pursuant to section 160 of the Act, a notice has been received from a member signifying his intention to propose the appointment of Mrs Umadevi Uppaluri along with a deposit of Rs 1,00,000 (Rupees One Lakh only) as required under the aforesaid section.

Except Mrs. Umadevi Uppaluri, none of the Directors or key managerial Personnel (KMP) or relatives of other directors and KMP is concerned or interested in the Resolution at Item No.6 of the accompanying Notice.

**Item 7 to 10:**

The Board of Directors of the Company have decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the board of the Company. In the transition to the Companies Act, 2013, which is effective 1st April,2014,those Independent Directors who have served for ten or more years will serve for a maximum period of one term of five years. In effect, the transition will be managed by re- appointing such Independent Directors for a period of one more term that does not exceed five years.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013 Shri. G.K.Kabra, Shri M.L.Motwani, Shri V.Pattabhi and Shri B.S.Srinivasan, being eligible , offer themselves for appointment as Independent Directors on the Board of the Company. In line with the requirements of the Companies Act, 2013, it is therefore proposed to appoint Shri. G.K.Kabra, Shri M.L.Motwani, Shri V.Pattabhi and Shri B.S.Srinivasan, as Independent Directors on the Board of the Company for a term upto five consecutive years, commencing from 30-09-2014

Notices have been received from members proposing candidature of the above Directors for the office of Independent director of the Company.

The Board recommends the Ordinary Resolution as set out at items 7 to 10 for your approval.

Except the Directors being appointed in terms of the said resolutions, none of the Directors or Key Managerial Personnel of the Company are interested in the resolution except to the extent of their shareholding.

By order of the Board  
FOR VELJAN DENISON LIMITED

Place: Hyderabad  
Date: 01-09-2014

V. C. Janardan Rao  
Chairman

---

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING (PURSUANT TO CLAUSE NO.49 OF THE LISTING AGREEMENT)**

---

**BRIEF PROFILES OF DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT**

Item No.6: Mrs. Umadevi Uppaluri

She is a commerce graduate from Osmania University . She is a second generation entrepreneur ,who is running a manufacturing business successfully from the last 15 years . Her other Directorships and Committee Memberships are as under.

<b>Sl. No.</b>	<b>Name of the Company</b>	<b>Nature of Interest</b>	<b>Committee membership / Chairmanship</b>
1	Suxus Systems Limited	Managing Director	Nil
2	JDM Hydro Pneumatics Limited	Director	Nil
3	Veljan Hydrair Limited	Director	Nil
4	Veljan Investments Limited	Director	Nil
5	Veljan Shlcast Limited	Director	Nil
6	Ecmat Limited	Director	Nil

**Item No.7: Shri G.K.Kabra**

Born on 1st January 1932 is a Graduate in Engineering from Osmania University in the year of 1956.

He has over 40 years of Industrial experience in designing, developing, and manufacturing of consumer durables. This includes 20 years in Hyderabad Allwyn where he developed many refrigerator models, refrigerator compressors, deep freezers, etc. He has several patents and awards to his credit.

After leaving Allwyn, he established Kabsons Group of Industries which engaged in the manufacture of LPG equipments like cylinders, valves, regulators, appliances, etc which are exported to various countries including collaborators. He has been associated with various government and social organisation engaged in promotional and service activities.

Last 17 years, after retirement, he has been devoting most of his time in extending helping hand to Schools to improve Education and Primary Health. He is on the mission, since last 6 years, to provide non-invasive low cost therapies to senior citizens, poor and needy, through the G.K.Kabra's Public Charitable Trust.

He is the member of the Nomination and Remuneration Committee of the Company.

He does not hold shares in the Company and is not related to any director of the Company. Details of his other directorships and membership/chairmanship of committees are given below:

<b>Sl. No.</b>	<b>Name of the Company</b>	<b>Nature of Interest</b>	<b>Committee membership / Chairmanship</b>
1	Kabsons Industries Limited	Director	Nil
2	Satruc Appliances Private Limited	Director	Nil

**Item No.8: Shri M.L.Motwani**

Born on 17th March, 1936 is a Graduated with Honours in Mechanical Engineering (B.E.) and a Post-Graduate Diploma in Business & Industrial Management

**PROFESSIONAL EXPERIENCE**

- 1959 Joined Philips as Management Trainee
- 1962 Prestolite India Ltd., Delhi
- SHRIRAM GROUP
  - 1966 : Joined Shriram Refrigeration Industries Ltd., Hyderabad
  - 1967 : Transferred to The Jay Engineering Works Ltd., Hyderabad (Now known as Usha International Ltd.)
  - 2001 : Retired as Jt.Sr.Executive Director & CEO
  - 2001-06: Counselor – Usha International Ltd.
- Fully responsible for the Hyderabad Works of Usha International Ltd., with a turn over of Rs.150 crores
- Shriram Fuel Injection Industries (Fuel Injection & Precision Automobile components)
- Hyderabad Engineering Industries (USHA Fan Works)
- Shriram Lamination Works
- Responsibilities include optimization of profits, selection of machine tools, expansion and modernization of plant, Govt relations, Marketing, R&D, Manufacturing, Purchase, Organisation and Personnel, etc.

**SPECIAL ACHIEVEMENTS**

- Fully set up four major projects from planning to commercial production – Auto Electricals in 1962, Fuel Injection in 1979, Engine Valves in 1988 and state-of the-art technology Sewing Machines in 1995.
- Traveled extensively to Europe, USA, Japan, Korea, Taiwan, etc., for analysis and selection of collaborators
- Finalised and implemented three Joint venture Agreements.
- Actively involved in export promotion efforts and increased the export revenue to a level of 40% of sales.



- Successfully took up and achieved accreditation to QS 9000 by Underwriters laboratories, USA for Fuel Injection division and ISO 9002 for Fans & Laminations division by Underwriters Laboratories, USA.
- Total experience of over 40 years in Engineering Industry – manufacturing highly sophisticated and high precision engineering products and consumer durables.

## **AWARDS**

- Recipient of the “Best Industrial Productivity Efforts in the State”, awarded by the Federation of AP Chambers of Commerce & Industry, Hyderabad
- Several Certificates of Merit, Awards, Shields for outstanding Export Performance from ACMA – from 1989 to 1993; and from Engineering Export Promotion Council for the year 1989-90.
- Several Quality Awards, including certificate of Merit from CII
- TIME’s Best CEO for 2001.

## **ASSOCIATIONS & ACTIVITIES**

President	- Association of Manufacturers of Automotive Components (AMAC)
President	- Usha Officers Alumni Association
Sr.Vice President	- National Centre for Quality Management
Sr.Advisor	- Centre for Research & Development of Ethics
Member	- Management Committee, Hyderabad Management Association (HMA)
Member	- Advisory Board of Confederation of Indian Industry (CII) AP Chapter
Ex-Chairman	- Membership Committee, Quality Circle Forum of India (QCFI) Hyderabad Chapter

He is the member of the Audit Committee , Corporate Social Responsibility Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee. He does not hold shares in the Company and is not related to any director of the Company. He is not a director in any other Company or member of any committee of any other Company.

**Item No.9 Shri Pattabhi Vangala**

Born on 1st December 1938 he is a Graduate in Electrical Engineer.

He has over 40 years of experience in various Industries. He was responsible for Production of all building products in various locations in India, Environmental control and safe guards, Technology transfers, Project implementation and Research and Development

He is the Chairman of Technical committee of Asbestos Information Control and a Permanent Executive Committee member in Asbestos International Association.

He is the member of the Audit Committee , Nomination and Remuneration Committee and Stakeholder Relationship Committee of the Company. He does not hold shares in the Company and is not related to any director of the Company. Details of his other directorships and membership/chairmanship of committees are given below:

<b>Sl. No.</b>	<b>Name of the Company</b>	<b>Nature of Interest</b>	<b>Committee membership / Chairmanship</b>
1	Ramak Industries Pvt Limited	Director	Nil
2	Andhra Polymers Private Limited	Director	Nil
3	Visaka Industries Ltd	Independent Director	Audit Committee Nomination and Remuneration Committee Stakeholder Relationship Committee
4	Sree V Harsha Enterprises India Pvt Ltd.	Managing Director	Nil

**Item No.10 : Shri B.S. Srinivasan**

Born on 7th May 1945, is a B.com Graduate and qualified as Chartered Accountant in 1971.

From December 1971 to December 1972 practiced as a Chartered Accountant with M/s. Fraser & Co, Chartered Accountants at Chennai. From January 1973 to December 1974 worked as a Senior Accounts officer in a Medium scale manufacturing Company.

He is a practicing Chartered Accountant and is rendering professional services as statutory and internal auditor of, small medium and large scale companies, Partnership firms, Proprietary firms, NGOs and Educational institutions. He is rendering consultancy services on financial matters, Income tax, Service tax and Sales tax issues.

He is the member of the Audit Committee and Corporate Social Responsibility Committee. He does not hold shares in the Company and is not related to any director of the Company. Details of his other directorships and membership/chairmanship of committees are given below:

<b>Sl. No.</b>	<b>Name of the Company</b>	<b>Nature of Interest</b>	<b>Committee membership / Chairmanship</b>
1	SoftSol India Limited	Director	Member of Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee
2	Formatrix I.T Solutions (India) Private Limited	Director	Nil

**DIRECTOR'S REPORT**

To  
The Members of  
VELJAN DENISON LIMITED  
Hyderabad

Your Directors take pleasure in presenting the 40th Annual Report on the affairs of the Company along with the Audited Accounts for the year ended 31st March, 2014.

**1. FINANCIAL RESULTS:**

Rs. In Lakhs			
Sl. No.	Particulars	31-03-2014 (12 Months)	31-03-2013 (12 Months)
1.	Profit /Loss (PBDIT)	1557.36	1790.40
2.	Less: Depreciation	304.34	311.57
3.	Profit before Tax	1253.02	1478.83
4.	Less: Tax	409.12	484.01
5.	Profit After Tax	843.90	994.82

**2. OPERATIONS:**

During the year under review the sales was 1.17 % lower at Rs.7216.94 Lacs as against Rs.7302.31 Lacs in the previous year. The Profit before tax for the year is 15.26% lower at Rs. 1253.02 Lacs against Rs.1478.83 Lacs for the previous year.

**3. FUTURE OUTLOOK:**

The prevailing Market conditions worldwide may lead to a likely increase in the turnover and profitability of the Company for 2014-2015.

**4. DIVIDEND:**

Your Company had a consistent Dividend policy that balances the dual objectives of appropriately rewarding Shareholders and retaining adequate funds, in order to maintain a healthy Capital adequacy ratio to support future growth.

Consistent with this policy and based on the Company's performance, the Directors are pleased to recommend a dividend of Rs 7.50 /- per equity share for the financial year 2013-14 which, if approved at the ensuing Annual General Meeting will be paid to those members whose names appear as shareholders of the Company as at the end of business hours on 26.09.2014 as per particulars to be furnished for this purpose.

The Dividend payout as proposed is in accordance with the Company's policy to pay sustainable Dividend linked to long term performance, keeping in view the Capital needs for the Company's growth plans and the intent to achieve optimal financing of such plans through internal accruals.

The dividend distributed would be tax free in the hands of the Shareholders.

**5. RESERVES:**

The Company has transferred Rs.1.25 Crore, i.e. 14.81 % of the current profits to reserves of the Company.

**6. PARTICULARS OF EMPLOYEES:**

There are no employees whose particulars are to be provided as required under Sec 217(2A) of the Companies Act, 1956 read with Companies (particulars of the employees ) rules, 1975, since none of the employees are drawing a salary in excess of the limits prescribed under the above rules.

**7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

As required under the Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988, the necessary information is given in the Annexure I which is annexed to this report.

**8. FIXED DEPOSITS:**

Your Company has not accepted any deposits from the public during the year under review.

**9. DIRECTORS:**

None of the directors of the company are disqualified under the provisions of the Act or under the Listing Agreement with the BSE.

As per the provisions of the Companies Act, 1956 read with Articles of Association of the Company, Shri.G.K.Kabra, retire by rotation and being eligible offers himself for re-appointment at this Annual General Meeting .

Mrs. U.Uma Devi was appointed as additional director of the company on 30th July 2014. Mrs. U. Uma Devi was proposed to be appointed as women director under the provisions of section 160 of the Companies Act, 2013 at the ensuing Annual General Meeting (AGM).

During the year, the Ministry of Corporate Affairs (MCA) has notified majority of the provisions inter alia provisions relating to selection, manner of appointment,

roles, functions, duties, re-appointment of independent directors and the relevant rules under the Companies Act, 2013 (the Act 2013) and made them effective 1st April 2014.

The existing composition of the Company's board is fully in conformity with the applicable provisions of the Act 2013 and Clause 49 of the Listing Agreement having the following directors as non-executive independent directors, namely Shri G.K.Kabra, Shri M.L.Motwani, Shri V.Pattabhi and Shri B.S.Srinivasan .

In terms of the provisions of Section 149(10) read with Section 149(5) of the Act 2013, independent directors are eligible to hold office for a term up to five consecutive years on the board and eligible for re-appointment for the second term on passing a special resolutions by the Company. During the period, they will not be liable to 'retire by rotation' as per the provisions of Sections 150(2), 152(2) read with Schedule IV to the Act 2013.

It is, therefore, proposed to appoint them as independent directors for a consecutive period of five years at the AGM. Necessary declarations have been obtained from them, as envisaged under the Act 2013.

Both the Nomination and Remuneration Committee and the board also ensured that their appointments as independent directors are in compliance with the requirements under the relevant statutes and that there were appropriate balance of skills, experience and knowledge in the board, so as to enable the board to discharge its functions and duties effectively.

Notices in writing signifying the intention to offer their candidatures as independent directors of the Company along with the requisite deposit have been received from members of the Company in terms of Section 160 of the Act 2013.

Pursuant to the provisions of Clause 49 of the Listing Agreement, brief particulars of the retiring directors who are proposed to be appointed/re appointed are provided as an annexure to the notice convening the AGM.

The board, therefore, recommends their appointment / re-appointment as directors of the Company.

**10. AUDITORS:**

M/s Brahamayya & Co., Chartered Accountants, (FRN: 000513S) Hyderabad, the existing Statutory Auditors of the Company retire at the conclusion of this Annual General meeting and being eligible offer themselves for reappointment, on such remuneration as may be decided in consultation with the Auditors by the Board of Directors of the Company plus applicable Service Tax thereon and reimbursement of all out-of pocket expenses incurred in connection with the audit of the accounts of the company.

The Company has obtained necessary certificate under Section 141 of the Companies Act, 2013 from the Auditors conveying their eligibility for the above appointment. The Audit Committee and Board reviewed their eligibility criteria, as laid down in Section 141 of the Companies Act, 2013 and recommended their appointment as auditors for the aforesaid period.

**11. SECRETARIAL AUDITORS**

As required under Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company is required to appoint a Secretarial Auditor for auditing the secretarial and related records of the Company and to provide a report in this regard. Accordingly, M/s VBM Rao & Associates, Company Secretaries, Hyderabad have been appointed as Secretarial Auditors for carrying out the secretarial audit for the financial year 2014-15 for attaching their report with the Board's report to the shareholders.

**12. LISTING:**

The Company is listed in The Bombay Stock Exchange Limited and there have been no arrears of the listing fees payable to the Stock Exchange.

**13. DIRECTORS' RESPONSIBILITY STATEMENT:**

In terms of Section 217 (2AA) of the Companies Act, 1956, the Directors would like to state that:

- i) In the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures, if any.
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 of the Company for the year under review;

- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors have prepared the Annual Accounts on a going concern basis.

**14. REPORT ON CORPORATE GOVERNANCE:**

In accordance with the Clause 49 of the Listing Agreement, the Company has complied with all mandatory recommendations. A Report on corporate Governance is provided elsewhere in this report.

**15. ACKNOWLEDGMENTS:**

Your Directors acknowledge with a deep sense of gratitude the continued support extended by Investors, Customers, Business Associates, Bankers and Vendors. Your Directors take this opportunity to thank the regulatory Authorities and Governmental Authorities. Your Directors also place on record their appreciation for the contribution of all the employees of the Company in achieving the performance.

By order of the Board  
FOR VELJAN DENISON LIMITED

Place: Hyderabad  
Date: 01-09-2014

V. C. Janardan Rao  
Chairman

**ANNEXURE - I**

DISCLOSURE OF PARTICULARS IN RESPECT OF CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

**a. Measures taken for Conservation of Energy :**

This being a Precision Machining Industry, there are no major energy conservation measures except prevention of waste in utilising machines, avoiding waste in electrical lighting during the day by providing north light etc.

**Data in respect of Energy Conservation :**

Rs. in Lakhs

	<b>Current Year</b>	<b>Previous Year</b>
a) Turnover	<b>Rs. 7627.63</b>	7792.39
b) Electricity	<b>Rs. 141.22</b>	94.94
c) Diesel	<b>Rs. 53.27</b>	86.30
Electricity Purchased (KWH)	<b>16.92</b>	11.06
Unit Rate (Rs.per KWH)	<b>8.35</b>	8.59

**b. Technology Absorption :**

The technology concerning the manufacture of Hydraulic Vane Pumps, Motors and Hydraulic Valves of various types, is continuously being renewed and in house R&D efforts are contributing to new product development and the products are indigenously manufactured.

**d) Foreign Exchange Earnings and Outgo:**

Rs. in Lakhs

	<b>Current Year Rs.</b>	<b>Previous year Rs.</b>
Foreign Exchange Used	<b>356.74</b>	70.08

**Note :** We have exported goods worth Rs. 3859.65 lakhs and previous year Rs.3408.63 lakhs through our merchant exporter.

---

**MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report on the Business of the Company as applicable and to the extent relevant is given below:

**OVERVIEW & OPERATIONS OF THE COMPANY :**

The year 2013-14 has had a mixed trend in our business segment in the face of General Elections towards the last quarter and moderate demand slowdown. With a little political uncertainty, the optimism we had on the growth of the Indian Economy was tampered down towards the end of the financial year under review. The Indian Economy as a whole has been on the slump over last two years recording the lowest growth rate of the last 25 years. Fiscal and Current a/c deficits, inflation not abating, tight monetary conditions, declining net exports coupled with governance issues have eroded business confidence. Volatility in the rupee value has added to the woes of the Indian Economy.

Now that the political uncertainty is over with a clear mandate for the government, Investments in the Infrastructure Industry particularly in the Oil and Gas, Power and construction projects are showing an upward trend. With the new governments liberalized approach towards FDI's in various industries, Investments into the Indian Economy are set to rise.

Thus for the Current Financial year 2014-15, your Company has a cautious outlook on the growth considering recession in global economy, the anticipated rise in Foreign Exchange rates, crude oil prices, inflationary pressures in the Indian economy and high interest rates. However your company is buoyant on the growth prospects with increased investments and expansions in core sectors such as infrastructure, steel, cement, mining as well as Oil and Gas would be driving the market for ancillary products such as hydraulic components. Emphasis of the new government on the Power Sector is also expected to give a leg up to the hydraulic component market.

Consequently, your Company is carrying an improving order book as compared to the previous year. However, the silver lining is that we have an unprecedentedly large enquiry level.

**Business Environment:**

During the period from April 2013 to March 2014, the Company had a better growth in demand for its products as there was improvement in Global market.

---

**Opportunities & Threats:**

The growth in infrastructure, construction and manufacturing activity coupled with the thrust on exports offers scope for the industry to grow.

Competitive activity has increased in almost all the segments of the Indian market due to entry of new foreign players as well as expansion plans of the existing domestic and foreign manufacturers. The Company is aware of the increasing competition and is taking measures to remain competitive in the market place.

**Outlook for the Company:**

The Government has started announcing certain measures like raising the limits of FDI in various sectors, clearances of pending projects and promises to clear more and more projects primarily relating to infrastructure. The investment in manufacturing is projected to rise. Perception of business and public at large is positive with the new and stable government in place. The steps taken by the new Government in its 90 day rule will take time for policy intent to be translated to full blown economic / industrial revival.

The Government of India's planned investment of `45 trillion in infrastructure in the 12th five year plan (2012-2017) will be a major boost to hydraulic industry. Mirroring the twofold increase of sales in the construction equipment market by 2015, the market for hydraulics in infrastructure and bulk material handling will also double during that period.

Economic growth is likely to accelerate in this fiscal as the reform process has begun and would begin to bear the fruits. The pick up will be aided by implementation of stalled projects, debottlenecking of the mining and power sector and a recovery in industry on the anvil which will push ancillary industries, as that of us.

Though, there is an upside in the Investments in the Indian economy due to the recent policy momentum, we are cautious on the growth outlook, as the benefits from this Investment Trend and policy momentum will take time to flow to the ground level because of the long gestation periods involved and continuing high borrowing costs. However, we are confident of a solid revival as the 90 day rule of the new government has already seen appearance of green shoots across the board, representing a turnaround in the economy. The all important Market Sentiment, that aura of optimism, has also revived considerably, which is evident in the buoyant stock market, the high indices and high inflow from FII's .

---

**Risks and Concerns:**

- The rise in interest-rate and / or crude prices and any slackness in implementation of various infrastructure projects may slow down the demand.
- Increasing Competition from imports, may impact the Company's market-share and volumes.
- Cost increase in basic materials like steel/pig-iron etc. has a major impact on the Company's input costs.
- Availability of components especially castings, in right quality and at right time from the vendors is a constant cause of concern.
- Foreign Exchange fluctuations may place pressure on the financial performance of the Company.
- Rise in the input costs such as Power, Human Resources, and drop in demand due to unforeseen adverse market conditions are issues of concern and may put pressure on the performance of the Company.

**Internal Control Systems and Their Adequacy:**

The Company has adequate Internal Control Procedures commensurate with the size of the Company.

**Human Resources/Industrial Relations:**

A cordial environment prevailed in the manufacturing unit and offices of the Company during the year. The Company has been continuously training its employees in the newer technologies. Industrial relations continued to be cordial.

**Cautionary Statement:**

Cautionary Statement in this "Management Discussion & Analysis" may be considered to be "forward looking statements" within the meaning of applicable securities laws or regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

---

## **CORPORATE GOVERNANCE**

### **1. COMPANY'S PHILOSOPHY:**

Your Company firmly believes in and has consistently practiced good Corporate Governance. The Company's essential character is shaped by the very values of transparency, accuracy, professionalism and accountability. The Company will endeavor to improve on these aspects on an ongoing basis.

Board of Directors of your Company has adopted the compliance of good corporate governance and to keep the shareholder informed about the happenings in the Company. The Company has complied with corporate governance code as per Clause 49 of the Listing Agreement.

The information required to be attached to the Directors' Report is as under:

### **2. BOARD OF DIRECTORS COMPOSITION:**

Your Board comprises optimal complement of Independent as well as Non executive Directors having in-depth knowledge of the business of the industry.

The size and composition of the Board confirms to the requirements of the Corporate Governance code under the Listing Agreement entered with the Stock Exchanges. Board Comprises of

<b>Sl. No.</b>	<b>Name of the Director</b>	<b>Designation</b>
1.	Shri V.C.Janardan Rao	Chairman
2.	Shri Srinivas VG	Managing Director
3.	Shri G.K.Kabra	Director
4.	Shri M.L.Motwani	Director
5.	Shri V.Pattabhi	Director
6.	Shri B.S.Srinivasan	Director
7.	Smt.U.Uma Devi	Additional Director (w.e.f 30/07/2014)

Various committees support the Board in its functions. The Board of Directors and its committees meet at regular intervals.

**Board Procedure:**

The calendar of meetings of the Board of Directors is determined well in advance and Notices of the Meetings of the Board are issued by the Company Secretary on the advice and guidance of the Whole time Director. The agenda and notes thereon are finalised by the Whole time Director and circulated sufficiently in advance by the Company Secretary.

Elaborate and meticulous deliberations take place at the meetings of the Board; all relevant information is put up to the Board and comprehensive presentations are made to it to facilitate considered and informed decision making. Heads of the business verticals also attend the meetings of the Board as invitees to provide a better perspective on the operations. The time gap between two meetings of the Board did not exceed four months.

The board duly met 07 (Seven) times during the period from April '2013 to Mar'2014, the dates are 02.05.2013; 25.05.2013; 05.08.2013; 30.08.2013; 30.09.2013; 04.11.2013 and 31.01.2014 and the attendance of the Board of Directors are as follows:

**ATTENDANCE OF DIRECTORS IN THE BOARD AND ANNUAL GENERAL MEETING:**

Sl. No.	Name of the Director	Board meetings attended during the year	Designation	Category	Attended at the last Annual General Meeting	Number of the other director ship	No. of Board Committees of which Member / Chairman
1.	Shri V.C. Janardan Rao	7	Chairman	Promoter	Yes	2	1
2.	Shri Srinivas VG	1	M.D.	Promoter	No	-	1
3.	Shri B.S.Srinivasan	2	Director	Independent And Non Executive Directors	No	2	3
4.	Shri G.K. Kabra	7	Director		Yes	2	1
5.	Shri M.L. Motwani	6	Director		Yes	-	3
6.	Shri V. Patabhi	7	Director		Yes	5	2



**Whistle blower policy**

At the Board Meeting held on 30th July 2014, the company has formulated a Whistle Blower Policy with a view to provide a mechanism for associates to approach the Chairman of the Audit Committee of the Company to, inter alia, report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or policy. Further, the policy provides necessary safeguards for protection of associates from reprisals or victimization, for whistle blowing in good faith.

**Code of Conduct:**

The Board has laid down a code of conduct for all Board members and senior management of the Company, which is available on the Company's web-site. All the Board members and senior management of the Company have affirmed compliance with their respective Codes of Conduct for the Financial Year ended March 31, 2014. A declaration to this effect, duly signed by the Managing Director is given hereto.

**Declaration**

I, Srinivas VG Managing Director do hereby declare that pursuant to the provisions of Clause 49(I) (D) (ii) of the Listing Agreement, all the members of the Board and the Senior Management Personnel of the Company have furnished their affirmation of compliance with the Code of Conduct of the Company.

**Srinivas VG**

Managing Director

Place: Hyderabad

Date: 01-09-2014

**3. AUDIT COMMITTEE:****1. Terms of Reference:**

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- b) Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- c) Reviewing with management the annual financial statements before submission to the board, focusing primarily on;
  - i) Any changes in accounting policies and practices.
  - ii) Major accounting entries based on exercise of judgment by management
  - iii) Qualification in draft audit report.
  - iv) Significant adjustments arising out of audit.
  - v) The going concern assumption
  - vi) Compliance with accounting standards.
  - vii) Compliance with Stock Exchange and legal requirements concerning financial statements.
  - viii) Any related party transactions i.e. transactions of the Company of material nature with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.

**3.AUDIT COMMITTEE:****Composition :**

The Audit Committee Comprises of following Directors:

Sl. No.	Name of Director	Designation	Status
1.	Sri. V. Pattabhi	Chairman	Independent and Non- Executive director
2.	Sri. Srinivas VG	Member	Managing Director
3.	Sri. M. L. Motwani	Member	Independent and Non- Executive director

Shri B.S. Srinivasan has been appointed as Member of Audit Committee in the Board Meeting held on 31st January 2014.

The Audit committee duly met 04 (Four) times during the financial year on 02.05.2013, 05.08.2013, 04.11.2013, and 30.01.2014 and the attendance of the Members in the Meeting is as follows:

**Attendance of Audit Committee Members at their Meetings:**

Sl. No.	Name of Director	No. of Meetings Held	No. of Meetings Attended
1.	Shri Srinivas VG	4	1
2.	Shri V. Pattabhi	4	4
3.	Sri. M. L. Motwani	4	3

**4. REMUNERATION COMMITTEE:**

A Remuneration Committee was constituted in the year 2008 to evaluate and implement remuneration payable to Executive Directors and for deciding the other benefits.

Composition of Remuneration Committee

Sl. No.	Name of Director	Designation	Status
1.	Sri. G.K. Kabra	Member	Chairman, Independent and Non- Executive Director
2.	Sri. M.L. Motwani	Member	Independent and Non- Executive Director
3.	Shri V. Pattabhi	Member	Independent and Non- Executive Director

Not being required, hence the Remuneration Committee did not meet but the matters related to the same are discussed with the committee members from time to time.

The details of Salary and other benefits paid for the year ended 31.03.2014 to the Managing Director is as follows:

Rs. in Lakhs

<b>Name of the Director and Designation</b>	<b>Salary Basic</b>	<b>Other Allowances</b>	<b>Total Remuneration</b>
Sri. Srinivas VG Managing Director	Rs. 17.45	Rs. 39.75	Rs. 57.20

The Company has paid sitting fees to all Directors amounting to Rs.8,80,000 /- for Board Meetings, Committee Meetings and Review Meetings. The details of aggregate amount of sitting Fees paid to each non-executive & Independent Director during the financial year April 2013 to March 2014 is as follows:

<b>Name of the Director</b>	<b>Sitting Fees</b>
Sri V C Janardan Rao	Rs. 2,00,000/-
Sri. G.K. Kabra	Rs. 1,80,000/-
Sri. V. Pattabhi	Rs. 2,80,000/-
Sri. M.L. Motwani	Rs. 1,80,000/-
Sri.B.S.Srinivasan	Rs. 40,000/-

At the Board Meeting held on 30th May 2014, the board renamed the Committee as Nomination and Remuneration Committee with same members in terms of Section 178 of the Companies Act 2013 and Clause 49 of the Listing Agreement of BSE.

**5. INVESTORS GRIEVANCE COMMITTEE:**

Sl. No.	Name of Director	Designation	Status
1.	Shri. V.C. Janardan Rao	Chairman	Non Executive Director
2.	Shri M. L. Motwani	Director	Independent and Non Executive Director
3.	Shri. V. Pattabhi	Director	Independent and Non Executive Director

**Terms of reference :**

The Committee was formed with the object of providing immediate attention to the shareholders grievance and to look into the matter relating to the share transfers, replacement of lost/ stolen/ mutilated share certificates, issue of duplicate share certificates and to redress the investors' complaints in minimum possible time. This sub-committee also focuses on strengthening investors' relations.

**The functions of the committee include :**

- 1) Transfer of shares.
- 2) Dematerialisation of shares.
- 3) Complaints pertaining to Non-receipt of refund orders.
- 4) Any other matter.

No Meeting was held during the year as the Company has not received any letter/ complaint from the investors. There were no pending letter/ complaint as on the date of the Directors' Report.

**Name and designation of the Compliance officer:**

Mrs. K. Girija Bala (Company Secretary)

At the Board Meeting held on 30th May 2014, the board renamed the Committee as Stakeholders Relationship Committee with same members in terms of Section 178 of the Companies Act 2013 and Clause 49 of the Listing Agreement of BSE.

**GENERAL BODY MEETING:**

i) Location and time of the last 3 Annual General Meetings:

Year	Date of AGM	Time of Meeting	Place where the Meeting was held
2013	30.09.2013	11.00 A.M.	Plot no. A 18 & 19, A.P.I.E, Balanagar, Hyderabad - 500037
2012	29.09.2012	11.00 A.M.	Plot no. A 18 & 19, A.P.I.E, Balanagar, Hyderabad - 500037
2011	29.08.2011	11.00 A.M.	Plot No A 18 & 19, A.P.I.E, Balanagar, Hyderabad-500037

ii) No Resolution was passed by way of Postal Ballot during the Financial Year

**7. COMPLIANCE OF INSIDER TRADING NORMS:**

The Company has adopted the code of internal procedures and conduct for listed companies notified by Securities Exchange Board of India prohibiting Insider Trading. A Policy document on internal code of conduct is available at the registered office of the Company. Insiders are complying with the code of conduct adopted by the Company from time to time.

**8. DISCLOSURES:**

- a) Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large. There are no materially significant transactions made by the Company with its promoters, directors or the management their subsidiaries or relatives etc. which have potential conflict with the interests of the Company at large.
- b) The Company has granted one unsecured loan to a party covered in the register maintained under Section 301 of Companies Act, 1956 and the maximum amount involved during the year was Rs. 18 Crores.

- c) The rate of interest and other terms and conditions of unsecured loans given by the Company are not prima facie prejudicial to the interest of the Company.
- d) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: NONE

## **9. MEANS OF COMMUNICATION:**

The Quarterly results are published in the newspapers like Praja Shakti, Financial Express and Annual Reports are sent to all the Shareholders yearly.

## **10. GENERAL SHAREHOLDER INFORMATION:**

- a) The 40<sup>th</sup> Annual General Meeting of the Company will be held on 30<sup>th</sup> September, 2014 at 11.30 A.M. at A 18 & 19 APIE, Balanagar, Hyderabad.A.P.
- b) The Financial Year of the Company is from 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2014 this year.
- c) Date of Book Closure: 27<sup>th</sup> September 2014 to 30<sup>th</sup> September, 2014 (both days inclusive)
- d) The Board of Directors in its Meeting held on 30-05-2014 have recommended dividend of 75% for the year ended 31<sup>st</sup> March, 2014 to those members whose names appear in the Register of Members as on 26-09-2014.
- e) The Shares of the Company are listed at The Bombay Stock Exchange Limited.
- f) The listing fees for the financial years 2012-13 and 2013-14 has been paid to the respective stock exchange.
- g) Stock code: 505232
- h) ISIN for the Company's Equity Shares: INE 232E01013
- i) Depositories for Equity Shares: National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL)
- j) Monthly high and Low Stock quotations during the Financial year are as follows:



**The Stock Exchange, Mumbai**

Month (Rs.)	High (Rs.)	Low (Rs.)
Apr-13	276.00	240.00
May-13	272.00	235.00
Jun-13	240.20	201.00
Jul-13	230.00	201.00
Aug-13	229.90	204.30
Sep-13	245.00	206.00
Oct-13	276.50	216.80
Nov-13	238.35	205.00
Dec-13	249.90	205.10
Jan-14	261.95	225.00
Feb-14	233.10	200.00
Mar-14	253.05	214.00

(Source : The Stock Exchange, Bombay - Website)

- k) Shares received for physical transfers are generally registered within a period of 10 days from the date of receipt of the valid and duly filled up transfer deeds.
- l) In respect of transfer of physical shares, Shareholders are advised to contact our STA; M/s. Venture Capital and Corporate Investments Limited; 12-10-167, Bharath Nagar, Hyderabad-500018, Telangana. Phones: 040- 23818475.

**11. Share Transfer System :**

The Company has appointed M/s.Venture Capital & Corporate Investments Ltd., as its Share Transfer Agent for both physical and Demat segment of equity shares with effect from 31st March, 2003.

**12. Distribution of shareholding : As on 31<sup>st</sup> March, 2014**

Nominal Value	Holders		Amount	
	Number	% to Total	In Rs	% to Total
Upto - 5000	1900	94.67	1468910	6.53
5001 - 10000	51	2.54	351820	1.56
10001 - 20000	23	1.15	322520	1.43
20001 - 30000	6	0.30	155500	0.69
30001 - 40000	2	0.10	67560	0.30
40001 - 50000	3	0.15	145000	0.64
50001 - 100000	8	0.40	592500	2.63
100001 and above	14	0.70	19396190	86.21
<b>TOTAL</b>	<b>2007</b>	<b>100.00</b>	<b>22500000</b>	<b>100.00</b>

**13. Shareholding pattern : As on 31<sup>st</sup> March, 2014**

Category	No. of shares	% to share capital
Promoters	16,87,097	74.98
Public Including Foreign Holding	5,62,903	25.02
Total	<u>22,50,000</u>	<u>100.00</u>

**14. Dematerialisation of shares and liquidity :**

ISIN (Code No.) : INE232E01013

18,79,756 shares of the Company are being held in Demat form as on 31st March, 2014.

**15. Outstanding GDRs / ADRs / Warrants and other Convertible Instruments, conversion dates and likely impact on equity : NIL**

---

**CEO/CFO CERTIFICATION**

Under Clause 49 of the Listing Agreement with the Stock exchanges

In relation to the Audited financial accounts of the Company as at 31 March, 2014, we hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or volatile of the Company's code of conduct.
- (c) We accept responsibility for 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 we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps have been taken or propose to take to rectify 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 during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which they 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

For Veljan Denison Limited

Date : 01-09-2014  
Place : Hyderabad

**Srinivas VG**  
Managing Director

**Dheeraj Kumar**  
Chief Finance Office

---

**Certificate of Compliance with the conditions of Corporate Governance  
under Clause 49 of the Listing Agreement**

To  
The members of  
Veljan Denison Limited

1. We have examined the compliance of conditions of Corporate Governance by Veljan Denison Limited (the Company) the year ended March 31, 2014 as stipulated in clause 49 of the listing agreement of the said Company with the stock exchanges in India.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned listing agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

for **BRAHMAYYA & CO.,**  
Chartered Accountants.  
Firm's Reg.No.000513S

Place: Hyderabad  
Date : 01-09-2014

**(K.S.RAO)**  
Partner  
Membership No.015850

---

**INDEPENDENT AUDITORS' REPORT**

**To the Members of VELJAN DENISON LIMITED, HYDERABAD.**

**Report on the Financial Statements:**

We have audited the accompanying financial statements of **VELJAN DENISON LIMITED, HYDERABAD** ("the Company"), which comprise the Balance Sheet as at March 31<sup>st</sup>, 2014, and the statement of Profit and Loss and Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements:**

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

**Auditor's Responsibility:**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statement 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 management, 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.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31<sup>st</sup>, 2014;
- b. In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date

**Reports on Other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanation 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e. On the basis of written representations received from the directors as on March 31<sup>st</sup>, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31<sup>st</sup>, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441 A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

for **BRAHMAYYA & CO.,**  
Chartered Accountants.  
Firm's Reg.No.000513S

Place: Hyderabad  
Date : 30-05-2014

**(K.S.RAO)**  
Partner  
Membership No.015850

---

**ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE**

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
b) As explained to us, the Management has physically verified most of the fixed assets during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the Assets. No Material discrepancies were noticed on such verification.  
c) During the year the Company has not disposed off any Fixed Assets.
2. a) The Inventory has been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.  
b) In our opinion, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
c) The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification between the physical stocks and book records were not material.
3. a) The Company has granted one unsecured loan to a party covered in the register maintained under Section 301 of Companies Act, 1956 and the maximum amount involved during the year was Rs. 18 Crores.  
b) The rate of interest and other terms and conditions of unsecured loans given by the Company are not prima facie prejudicial to the interest of the Company.  
c) The Company has not taken Secured or Unsecured Loans covered in the Register maintained under section 301 of the Companies Act 1956 in view of our comment Sub-Section (4A), 3(f) and (g) of the aforesaid order are not applicable to the Company.
4. In our opinion, and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. a) In our opinion and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register to be maintained under that section.

- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the Public. Hence the provisions of Section 58A, 58AA and other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of manufacturing of Hydraulic Equipments and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
9. a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31<sup>st</sup> March, 2014 for a period of more than six months from the date they became payable.
10. The Company has no accumulated losses at the end of the financial year. The Company has not incurred any cash losses during the financial year covered by our audit and immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions and banks.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.



13. The Company is not a chit fund or a nidhi / mutual benefit fund / society and therefore the requirements relating to such companies are not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. In our opinion, and according to the information and explanations given to us the term loans were applied for the purpose for which the loans were obtained.
17. In our opinion, and according to the information and explanations given to us the funds raised on short-term basis have not been used for long-term investment.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
19. During the year, the Company has not issued any debentures and therefore the question of creating security in respect thereof does not arise.
20. During the year, the Company has not made any public issue and therefore the question of disclosing the end use of money raised by public issue does not arise.
21. Based upon the audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

For **Brahmayya & Co.,**  
Chartered Accountants  
Firm's Reg.No.000513S

Place : Hyderabad  
Date : 30-05-2014

**( K.S.Rao )**  
Partner  
Membership No.015850

**VELJAN DENISON LIMITED**

Plot No.44, 4th Floor, HCL Towers,  
Chikoti Gardens, Begumpet, Hyderabad - 16.

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2014**

(Figures in Rs Lakhs)

Particulars	Refer Note No	AS AT 31-03-2014 Rs.	AS AT 31-03-2013 Rs.
<b>I EQUITY AND LIABILITIES</b>			
<b>1 SHAREHOLDERS'S FUNDS:</b>			
(a) Share Capital	1	<b>225.00</b>	225.00
(b) Reserves and Surplus	2	<b>7772.08</b>	7125.61
<b>2 NON-CURRENT LIABILITIES</b>			
(a) Long-term borrowings	3	<b>0.00</b>	1.20
(b) Deferred tax liabilities (Net)		<b>424.17</b>	437.57
<b>3 CURRENT LIABILITIES</b>			
(a) Short-term borrowings	4	<b>1949.62</b>	2359.11
(b) Trade payables	5	<b>433.52</b>	465.06
(c) Other current liabilities	6	<b>740.90</b>	1053.28
(d) Short-term provisions	7	<b>197.43</b>	197.42
<b>Total</b>		<b>11742.72</b>	11864.25
<b>II. ASSETS</b>			
<b>1 NON-CURRENT ASSETS</b>			
(a) Fixed assets			
(i) Tangible assets	8	<b>2490.06</b>	2758.54
(ii) Intangible assets	8	<b>8.24</b>	8.52
(iii) Capital work-in-progress	8	<b>380.22</b>	329.30
(b) Long term loans and advances	9	<b>63.24</b>	63.24
<b>2 CURRENT ASSETS</b>			
a) Inventories	10	<b>1740.54</b>	1574.94
b) Trade receivables	11	<b>3492.22</b>	4806.82
c) Cash and cash equivalents	12	<b>819.07</b>	1496.45
d) Short-term loans and advances	13	<b>2281.17</b>	424.93
e) Other Current Assets	14	<b>467.96</b>	401.51
<b>Total</b>		<b>11742.72</b>	11864.25

Accounting Policies and notes on Accounts 23

The notes referred to above form an integral part of these Financial Statements.

As Per our report of even date  
for **BRAHMAYYA & CO.,**  
Chartered Accountants,  
Firm regn No. 000513S

**K S Rao**  
Partner  
Membership No. 015850

**V C Janardan Rao**  
Chairman

**Srinivas VG**  
Managing Director

**K. Girija Bala**  
Company Secretary

Place: Hyderabad  
Date : 30-05-2014

**VELJAN DENISON LIMITED**

Plot No.44, 4th Floor, HCL Towers,  
Chikoti Gardens, Begumpet, Hyderabad - 16.

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014** (Figures in Rs Lakhs)

Particulars	Refer Note No	Current Year Rs.	Previous Year Rs.
<b>INCOME:</b>			
<b>I. Revenue from operations</b>	15	<b>7216.94</b>	7302.32
<b>II. Other Income</b>	16	<b>183.67</b>	73.20
<b>III. Total (I +II)</b>	Total	<b>7400.61</b>	<b>7375.52</b>
<b>IV. EXPENSES</b>			
Cost of Raw Materials Consumed	17	<b>2491.07</b>	2437.25
Cost of Finished Goods Sold		<b>124.19</b>	22.00
Changes in inventories of finished goods, work-in-progress	18	<b>-126.60</b>	-79.20
Employee benefit expense	19	<b>659.57</b>	676.47
Finance costs	20	<b>161.93</b>	178.87
Depreciation	21	<b>304.34</b>	311.57
Other expenses	22	<b>2533.08</b>	2349.73
<b>Total Expenses</b>		<b>6147.58</b>	<b>5896.69</b>
<b>V. Profit Before Tax</b>		<b>1253.03</b>	1478.83
<b>VI. Less Tax expense:</b>			
(1) Current tax		<b>407.00</b>	480.00
(2) Earlier Years		<b>15.53</b>	
(3) Deferred tax		<b>-13.40</b>	4.01
<b>VII. Profit after Tax</b>		<b>843.90</b>	<b>994.82</b>
<b>VIII. Earning per equity share (Amount in Rs)</b>			
(1) Basic		<b>37.51</b>	44.21
(2) Diluted		<b>37.51</b>	44.21

Accounting Policies and Notes on Accounts 23

The notes referred to above form an integral part of these Financial statements.

As Per our report of even date  
for **BRAHMAYYA & CO.,**  
Chartered Accountants,  
Firm regn No. 000513S

**K S Rao**  
Partner  
Membership No. 015850

**V C Janardan Rao**  
Chairman

**Srinivas VG**  
Managing Director

**K. Girija Bala**  
Company Secretary

Place: Hyderabad  
Date : 30-05-2014

**VELJAN DENISON LIMITED**

Plot No.44, 4th Floor, HCL Towers,  
Chikoti Gardens, Begumpet, Hyderabad - 16.

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2014** (Figures in Rs Lakhs)

Particulars	Current Year 31-03-2014 Rs.	Previous Year 31-03-2013 Rs.
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit before Tax & Extraordinary items	1253.03	1478.83
Depreciation	304.34	311.57
Interest Expenses	161.93	178.87
Interest Income	(80.50)	(8.14)
Tools and Jigs, Fixtures and Patterns Written off	14.35	13.51
<b>OPERATING CASH FLOW BEFORE WORKING CAPITAL CHANGE</b>	<b>1653.15</b>	<b>1974.64</b>
Adjustments for :		
Inventories	(179.96)	61.75
Trade receivable	1314.60	(753.12)
Other Receivable	(1804.46)	(162.76)
Trade payable	(267.41)	(100.98)
Income Tax paid	(322.33)	(451.57)
<b>Net cash flow from operating activities A</b>	<b>393.59</b>	<b>567.96</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Interest Received	62.66	7.31
Purchase of fixed Assets	(188.55)	(120.51)
<b>Net Cash Used in investing Activities B</b>	<b>(125.89)</b>	<b>(113.20)</b>
<b>C CASH FLOW FROM FINANCE ACTIVITIES:</b>		
Proceeds from Long Term Borrowing	(219.36)	(295.29)
working capital loans	(409.47)	1350.62
Share capital	0.00	0.00
Interest paid	(161.93)	(178.87)
Dividend paid	(154.32)	(153.78)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(945.08)</b>	<b>722.68</b>
<b>D NET CASH INCREASE / DECREASE IN CASH AND CASH EQUIVALENT</b>	<b>677.38</b>	<b>1177.44</b>
<b>OPENING CASH &amp; BANK BALANCE</b>	<b>1496.45</b>	<b>319.01</b>
<b>CLOSING CASH &amp; BANK BALANCE</b>	<b>819.07</b>	<b>1496.45</b>

1. The above cash flow statement has been prepared under the Indirect method set out in the As-3 issued by the Institute of Chartered Accountants of India.
2. Figures in brackets indicates the cash outgo.
3. Previous year figures have been regrouped and recasted wherever necessary to confirm the current classification.

As Per our report of even date  
for **BRAHMAYYA & CO.,**  
Chartered Accountants,  
Firm regn No. 000513S

**K S Rao**  
Partner  
Membership No. 015850

**V C Janardan Rao**  
Chairman

**Srinivas VG**  
Managing Director

**K. Girija Bala**  
Company Secretary

Place: Hyderabad  
Date : 30-05-2014

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Figures in Rs Lakhs)

**NOTE 1**

<b>SHARE CAPITAL:</b>	<b>AS AT 31-03-2014</b>		<b>AS AT 31-03-2013</b>	
	<b>Numbers</b>	<b>Rs. in Lakhs</b>	<b>Numbers</b>	<b>Rs. in Lakhs</b>
<b>AUTHORISED</b>				
Equity Shares of Rs 10/- each	<b>3,000,000</b>	<b>300.00</b>	<b>3,000,000</b>	300.00
		<u><b>300.00</b></u>		<u>300.00</u>

**ISSUED, SUBSCRIBED AND PAID UP**

Equity Shares of Rs 10/- each fully paid up	<b>2,250,000</b>	<b>225.00</b>	<b>2,250,000</b>	225.00
---	------------------	---------------	------------------	--------

Disclosure pursuant to Note no. 6(A)(d) of part I of Schedule VI to the Companies Act, 1956

<b>Particulars</b>	<b>No of Equity Shares Rs 10/- each As At 31-03-2014</b>	<b>No of Equity Shares Rs 10/- each As At 31-03-2013</b>
Share Outstanding at the beginning of the Year	<b>2,250,000</b>	2,250,000
Shares Issued during the Year	<b>0.00</b>	0.00
Share redeemed/bought back during the Year	<b>N.A.</b>	N.A.
Shares outstanding at the end of the Year	<b>2,250,000</b>	2,250,000

**Details of Share Holders Holding more than 5% Shares in the company**

<b>Name of the Share Holders</b>	<b>As AT 31st March 14 No of Share Held</b>		<b>As AT 31st March 13 No of Share Held</b>	
		<b>% of Holding</b>		<b>% of Holding</b>
V Chukkamamba	<b>597,139</b>	<b>26.54</b>	597,139	26.54
V C Janardan Rao	<b>309,753</b>	<b>13.76</b>	309,753	13.76
Veljan Investments Ltd	<b>243,950</b>	<b>10.84</b>	243,950	10.84
Veljan Hydrair Limited	<b>169,830</b>	<b>7.55</b>	169,830	7.55
Incentive Fastighet AB	<b>234,000</b>	<b>10.40</b>	234,000	10.40

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Figures in Rs Lakhs)

Particulars	AS AT 31-03-2014 Rs.	AS AT 31-03-2013 Rs.
<b>NOTE 2</b>		
<b>RESERVES &amp; SURPLUS:</b>		
<b>a. CAPITAL RESERVES (Subsidy)</b>		
At the commencement of the Year	15.00	15.00
<b>Closing Balance</b>	<b>15.00</b>	<b>15.00</b>
<b>b. Capital Redumption Reserve</b>		
At the commencement of the Year	3.00	3.00
<b>Closing Balance</b>	<b>3.00</b>	<b>3.00</b>
<b>c. Investment Allowance Reserved Utilised</b>		
At the commencement of the Year	12.80	12.80
<b>Closing Balance</b>	<b>12.80</b>	<b>12.80</b>
<b>d. Security Premium</b>		
At the commencement of the Year	45.00	45.00
<b>Closing Balance</b>	<b>45.00</b>	<b>45.00</b>
<b>e. General Reserve</b>		
At the commencement of the Year	1320.00	1220.00
Add: Current Year	125.00	100.00
<b>Closing Balance</b>	<b>1445.00</b>	<b>1320.00</b>
<b>f. Surplus:</b>		
At the commencement of the Year	5729.81	5032.41
Add: Transfer from Surplus	843.90	994.82
<b>Total Surplus</b>	<b>6573.71</b>	<b>6027.23</b>
Less : Proposed Dividend on Equity Shares	168.75	168.75
Corporate Dividend Tax	28.68	28.67
Transfer to General Reserve	125.00	100.00
<b>Closing Balance</b>	<b>6251.28</b>	<b>5729.81</b>
<b>Grand Total</b>	<b>7772.08</b>	<b>7125.61</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Figures in Rs Lakhs)

Particulars	AS AT 31-03-2014 Rs.	AS AT 31-03-2013 Rs.
-------------	----------------------------	----------------------------

**NOTE 3**
**LONG TERM BORROWING - SECURED :**
**Term Loans**

1. Andhra Pradesh State Financial Corporation	0.00	0.00
---	------	------

**Other Loans**

2. Car Loans From Kotak Mahindra Bank	0.00	1.20
---------------------------------------	------	------

<b>TOTAL</b>	<b>0.00</b>	<b>1.20</b>
--------------	-------------	-------------

1. Term Loan from Andhra Pradesh State Financial Corporation is Secured by Way of First Charge on the Fixed Assets of the Company and Personal Guarantees of Two of the Directors of the company.

**Terms of Repayment**

Particulars	Sanction Date	Term Loan interest %	Instalments	
			Current Year	Previous Year
Andhra Pradesh State Financial Corporation	05-07-06	12	0	0

2. Against Hypothecation of Vehicles and Guaranteed by the One of the Director of the Company.

**Terms of Repayment:** Equated Monthly Instalments

**NOTE 4**
**SHORT TERM BORROWING - SECURED**
**1. Working Capital Loans :**

a. Cash Credit From : Canara Bank	1200.36	1619.38
b. Cash Credit From : Syndicate Bank	749.26	732.59

**2. Documentary Bills Discounting :**

c. From - Syndicate Bank	0.00	7.14
--------------------------	------	------

<b>TOTAL</b>	<b>1949.62</b>	<b>2359.11</b>
--------------	----------------	----------------

Working Capital Loans are secured by hypothecation of Raw Materials, Finished Goods, Book Debts and documentary bills discounted and second charges on the fixed Assets of the Company except the Vehicles Under Hypothecation, further Guaranteed by One Director of the company in their Capacities to the extent of Rs 2300 Lakhs.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Figures in Rs Lakhs)

Particulars	AS AT 31-03-2014 Rs.	AS AT 31-03-2013 Rs.
-------------	----------------------------	----------------------------

**NOTE 5****TRADE PAYABLES**

Sundry creditors

Due to Micro, Small and Medium Enterprises	<b>0.86</b>	14.76
Others	<b>432.66</b>	450.30
<b>TOTAL</b>	<b><u>433.52</u></b>	<u>465.06</u>

**NOTE 6****OTHER CURRENT LIABILITIES**

1. Andhra Pradesh State Financial Corporation	<b>0.00</b>	213.90
2. Kotak Mahindra Bank	<b>1.65</b>	5.90
3 Sundry Creditors : For Capital Expenditure	<b>11.47</b>	13.13
Expenses	<b>251.54</b>	405.75
4. Advance from Customers	<b>32.05</b>	75.66
5. Income Tax (Net))	<b>262.39</b>	133.52
6. Unclaimed Dividends	<b>107.70</b>	93.27
7. Other Liabilities	<b>74.10</b>	112.15
<b>TOTAL</b>	<b><u>740.90</u></b>	<u>1053.28</u>

**NOTE 7****SHORT TERM PROVISIONS**

Proposed Dividend	<b>168.75</b>	168.75
Corporate Dividend Tax	<b>28.68</b>	28.67
<b>TOTAL</b>	<b><u>197.43</u></b>	<u>197.42</u>



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**NOTE 8 - FIXED ASSETS**

(Figures in Rs Lakhs)

	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 01.04.2013 Rs.	Additions Rs.	Deductions Rs.	As at 31.03.2014 Rs.	Upto 31.03.2013 Rs.	For the year Rs.	Deductions 31.03.2014 Rs.	As at 31.03.2014 Rs.
<b>a) 1. TANGIBLE ASSETS:</b>								
Land	104.44			104.44				104.44
Factory Buildings	367.90			367.90	74.80	11.90	86.70	281.20
Other Buildings	29.31			29.31	13.78	0.55	14.33	14.98
Water Works	4.31			4.31	3.93	0.03	3.96	0.35
Electrical Installations	3.72			3.72	3.53	0.00	3.53	0.19
Plant and Machinery	4111.54	28.61		4140.15	1928.89	268.47	2197.36	1942.79
Inspection & Testing Equipment	149.33			149.33	95.64	7.04	102.68	46.65
Office Equipment	144.34	2.97		147.31	119.09	3.95	123.04	24.27
Air conditioners	13.27			13.27	6.47	0.55	7.02	6.25
Furniture & Fixtures	50.17	0.86		51.03	27.29	2.57	29.86	21.17
Canteen Equipment	0.25			0.25	0.18	0.01	0.19	0.06
Vehicles	57.50	0.00		57.50	20.26	5.45	25.71	31.79
Material Handling Equipment	26.48	0.70		27.18	10.16	1.10	11.26	15.92
<b>Sub Total</b>	<b>5062.56</b>	<b>33.14</b>	<b>0.00</b>	<b>5095.70</b>	<b>2304.02</b>	<b>301.63</b>	<b>0.00</b>	<b>2490.06</b>
<b>b) 2. INTANGIBLE ASSETS</b>								
Software	74.32	2.44		76.76	65.80	2.72	68.52	8.24
<b>Sub Total</b>	<b>74.32</b>	<b>2.44</b>	<b>0.00</b>	<b>76.76</b>	<b>65.80</b>	<b>2.72</b>	<b>0.00</b>	<b>8.24</b>
<b>c) Capital Work in progress</b>								
<b>Sub Total</b>	<b>329.30</b>	<b>50.92</b>	<b>0.00</b>	<b>380.22</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>380.22</b>
<b>GRAND TOTAL</b>	<b>5466.18</b>	<b>86.50</b>	<b>0.00</b>	<b>5552.68</b>	<b>2369.82</b>	<b>304.34</b>	<b>2674.17</b>	<b>2878.52</b>
<b>Previous Year</b>	<b>5359.76</b>	<b>106.43</b>		<b>5466.18</b>	<b>2058.25</b>	<b>311.57</b>	<b>0.00</b>	<b>3096.36</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Figures in Rs Lakhs)

Particulars	AS AT 31-03-2014 Rs.	AS AT 31-03-2013 Rs.
-------------	----------------------------	----------------------------

**Note 9**
**LONG TERM LOANS AND ADVANCES :**

Deposit Recoverable (un secured Considered Good) (Telephones, APCPDCL & Others)	63.24	63.24
---	-------	-------

<b>TOTAL</b>	<b>63.24</b>	<b>63.24</b>
--------------	--------------	--------------

**Note 10**
**INVENTORIES**

a) Raw Materials (Valued at cost on weighted average method)	701.93	640.75
b) Stock-in-Process (Valued at cost on weighted average method or realisable value which ever is less)	363.89	301.49
c) Finished Goods (Valued at cost on weighted average method or realisable value which ever is less)	465.84	401.65
d) Stores & Spares (Valued at cost on weighted average method)	93.14	123.34
e) Jigs & Fixture, Patterns and Tools & Implements	115.74	107.71

<b>TOTAL</b>	<b>1740.54</b>	<b>1574.94</b>
--------------	----------------	----------------

**Details of Raw materials**

Steels	135.42	178.99
Castings	130.84	78.81
Components	300.33	294.29
Imported Material	135.34	88.66

<b>TOTAL</b>	<b>701.93</b>	<b>640.75</b>
--------------	---------------	---------------

**Note 11**
**Trade Receivables**

Receivables for a period exceeding six months unsecured considered good	508.35	1138.69
Receivables for a period less than six months unsecured considered good	2983.87	3668.13

<b>TOTAL</b>	<b>3492.22</b>	<b>4806.82</b>
--------------	----------------	----------------

Sundry Debtors Include amount due from M/s Veljan Hydrair Limited, a Company under the same management	1690.34	2769.92
Maximum amount due	3533.21	2769.92

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Figures in Rs Lakhs)

Particulars	AS AT 31-03-2014 Rs.	AS AT 31-03-2013 Rs.
-------------	----------------------------	----------------------------

**Note 12****CASH AND CASH EQUIVALENTS:**

Cash on Hand	0.52	0.42
Balances With Scheduled Banks: In Current Accounts	299.09	27.62
Balance with Banks against Dividends payments	107.79	93.38
In Fixed Deposits Accounts	350.00	1351.26
Balance With Margin for LC's and BG's	61.67	23.77
<b>TOTAL</b>	<b>819.07</b>	<b>1496.45</b>

**Note 13****SHORT TERM LOANS AND ADVANCES**

Advances for capital expenditure	117.95	17.54
Advances for Supply of Raw Materials & Expenses	146.08	225.77
Loans and Advances	1840.37	0.00
Deposits recoverable	172.68	175.20
Staff Advances	4.09	6.42
<b>TOTAL</b>	<b>2281.17</b>	<b>424.93</b>

**Note 14****OTHER CURRENT ASSETS:**

VAT Receivable	135.76	132.33
Service Tax Receivable	235.04	217.40
Deposit with Excise Department	39.14	10.24
Prepaid expenses	14.74	13.50
Interest Receivables	19.33	1.49
Other Receivable	22.65	25.25
Fringe Benefit Tax Paid	1.30	1.30
<b>TOTAL</b>	<b>467.96</b>	<b>401.51</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Figures in Rs Lakhs)

Particulars	Current Year 31-03-2014	Previous Year 31-03-2013
-------------	----------------------------	-----------------------------

**Note 15**
**REVENUE FROM OPERATIONS :**
**Sale of Products**

Pumps & Spares	6476.52	6328.49
Valves & spares	468.37	606.05
Motors & spares	583.49	777.88
Power Packs & Spares	99.25	79.97

	7627.63	7792.39
Less: Central Excise Duty	410.69	490.07

<b>TOTAL</b>	<b>7216.94</b>	<b>7302.32</b>
--------------	----------------	----------------

**Note 16**
**OTHER INCOME**

Interest Earned	80.50	8.14
Service Charges	0.76	1.79
Scrap Sales	63.05	46.01
Excise duty Claim received	0.00	11.86
Miscellaneous receipts	1.28	3.16
Income pertaining to prev. year	0.44	0.00
Credit Balances Written Back	26.36	0.00
Excess Provision Written Back	11.28	2.24

<b>TOTAL</b>	<b>183.67</b>	<b>73.20</b>
--------------	---------------	--------------

**Note 17**
**RAW MATERIALS CONSUMED :**

Opening Stocks	640.75	791.40
Add: Purchases	2552.25	2286.60
	3193.00	3078.00

Less Closing stocks	701.93	640.75
---------------------	--------	--------

<b>Cost of Raw Materials Consumed</b>	<b>2491.07</b>	<b>2437.25</b>
---------------------------------------	----------------	----------------

Cost of Finished Goods Sold	124.19	22.00
	124.19	22.00

**Imported and Indigenous Raw material Consumed**

	% of Consumption	Current Year 31-03-2014	% of Consumption	Previous Year 31-03-2013
Imported	3.28%	81.67	4.31%	127.16
Indigenous	96.72%	2409.40	95.69%	2332.09
<b>TOTAL</b>	<b>100.00%</b>	<b>2491.07</b>	<b>100.00%</b>	<b>2459.25</b>

**Details of Raw Material Consumed**

Steels Consumed	335.44	408.62
Castings Consumed	1004.54	904.74
Components Consumed	1069.43	1018.73
Imported Material Consumed & including cost of F.G	205.85	127.16
<b>TOTAL</b>	<b>2615.26</b>	<b>2459.25</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Figures in Rs Lakhs)

Particulars	Current Year 31-03-2014	Previous Year 31-03-2013
-------------	----------------------------	-----------------------------

**Note 18**  
**CHANGES IN INVENTORIES OF**  
**FINISHED GOODS, WORK IN PROGRESS**

(Increase)/Decrease in Stocks

**Opening Stocks**

Finished Goods	401.65	367.57
Stock-in-Process	301.49	256.37
<b>TOTAL</b>	<b>703.14</b>	<b>623.94</b>

**Closing Stocks**

Finished Goods	465.84	401.65
Stock-in-Process	363.90	301.49
<b>TOTAL</b>	<b>829.74</b>	<b>703.14</b>

(Increase)/ Decrease in Stocks	<b>TOTAL</b>	<b>-126.60</b>	<b>-79.20</b>
--------------------------------	--------------	----------------	---------------

**Note 19**
**EMPLOYEE BENEFITS EXPENSES**

Salaries , Wages and Bonus	588.57	595.17
Contribution to Provident Fund	39.25	38.57
Contribution to Employee's State Insurance	11.06	10.60
Group Gratuity & Deposit Linked Insurance	7.40	13.70
Superannuation Premium	4.22	4.52
Workmen & Staff Welfare Expenses	9.07	13.91
<b>TOTAL</b>	<b>659.57</b>	<b>676.47</b>

**Note 20**
**FINANCE COSTS**

Interest	152.40	138.86
Other Borrowing Costs	9.53	40.01
<b>TOTAL</b>	<b>161.93</b>	<b>178.87</b>

**Note 21**
**DEPRECIATION EXPENSE**

Depreciation	304.34	311.57
<b>TOTAL</b>	<b>304.34</b>	<b>311.57</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Figures in Rs Lakhs)

Particulars	Current Year 31-03-2014	Previous Year 31-03-2013
-------------	----------------------------	-----------------------------

**Note 22**
**OTHER EXPENSES**

Job Expenses	934.50	818.61
Stores Consumed	284.09	315.75
Packing Material Consumed	142.45	75.02
Carriage Inward	51.19	38.29
Power and Fuel	141.22	94.94
Repairs & Maintenance		
Building	2.32	4.55
Plant and Machinery	33.37	23.63
Others	59.40	44.18
Tools & Dies written off	14.35	13.51
Rent	22.77	22.92
Licenses and Taxes	6.62	9.75
Sales Tax	134.85	198.09
Insurance	9.83	9.65
Printing & Stationery	14.28	11.11
Postage & Telephones	13.12	13.57
Travelling & Conveyance	28.93	36.72
Foreign Travelling Expenses	10.29	3.48
Vehicle Maintenance	5.16	5.30
Professional & Legal Charges	37.65	36.80
Remuneration to Directors	68.85	74.50
Selling & Distribution Expenses	413.33	345.78
Advertisement	0.64	3.72
Remuneration to Auditors:		
For Audit Fees	4.49	4.49
For Tax Audit Fees	0.56	0.56
Sitting fee to Directors	8.80	9.20
Prior Period Expenditure	20.25	0.00
Donations	1.35	83.62
General Expenses	46.70	44.26
Service Tax Paid	5.18	6.30
Bad Debts Written Off	0.00	1.43
Bad Advances Written Off	16.54	
<b>TOTAL</b>	<b>2,533.08</b>	<b>2,349.73</b>

**Imported and Indigenous Stores Consumed**

Particulars	% of Consumption	Current Year 31-03-2014	% of Consumption	Previous Year 31-03-2013
Imported	1.50%	4.64	0.50%	1.58
Indigeneous	98.50%	279.45	99.50%	314.17
<b>TOTAL</b>	<b>100.00%</b>	<b>284.09</b>	<b>100.00%</b>	<b>315.75</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Figures in Rs Lakhs)

Particulars	Current Year 31-03-2014 Rs.	Previous Year 31-03-2013 Rs.
<b>Note 23</b>		
<b>1. A) Contingent Liabilities not provided for :</b>		
a) Towards Guarantees and Letters of credit issued by the Bankers to the extent of	475.47	240.42
b) Bill discounted with bankers to the extent of	0.00	7.14
c) Interest claimed by District Industries Centre Sangareddy for delay in payment of instalments of Interest Free sales tax loan, which is contested by the Company	23.29	23.29
<b>B) Contracts remaining to be executed on Capital account.</b>	<b>117.95</b>	<b>35.31</b>
<b>2. Value of Imports calculated on C.I.F. Basis</b>		
a) Raw Materials and Components	107.10	51.44
b) Traded Equipment	120.71	15.68
c) Cutting Tools	1.48	1.24
d) Maintenance items	4.39	0.58
<b>3. Expenditure in Foreign Currency :</b>		
Travelling	2.35	1.13
<b>4. Fixed Deposits pledged with Banks for the purpose of Guarantees/L.C.'s</b>		
	61.67	23.77
<b>5. Taxes on Income-Tax AS - 22</b>		
<b>Item of Deferred Tax Liability</b>		
Depreciation	1,381.15	1,394.86
Total (A)	<u>1,381.15</u>	<u>1,394.86</u>
<b>Item of Deferred Tax Assets</b>		
43B Payments	73.81	107.52
Total (B)	<u>73.81</u>	<u>107.52</u>
Deferred Tax Liability (A-B)	<u>1,307.34</u>	<u>1,287.35</u>
Tax there on	<u>424.17</u>	<u>437.57</u>

**6 Disclosure of Related party Transaction (As per AS-18)**
**Key Management Personnel (KMP)**

Sri V C Janardan Rao : Chairman  
Sri Srinivas VG : Managing Director

**Directors**

Sri G K Kabra  
Sri M L Motwani  
Sri V Pattabhi

Companies/firms in which the key management and their relations are interested

1. M/s. Veljan Hydrair Ltd - Common Control
2. M/s. Veljan Investments Ltd - Common Control
3. M/s Suxus Systems Ltd
4. M/s JDM Hydro Pneumatics Ltd
5. M/s. Ecmat Limited

**A Transactions during the Year**

Particulars	Key Management Personnel	Directors	Enterprises in Which the Key Management personnel and their relatives are interested
Remuneration	29.72		
	-29.72		
Commission	27.48	13.74	
	-31.25	-15.62	
SALES:			
Veljan Hydrair Limited			3873.28
			-3545.41
PURCHASES:			
Veljan Hydrair Limited			18.48
			-37.72
Suxus Systems Limited			973.06
			-929.03
DISCOUNTS:			
Veljan Hydrair Limited			385.96
			-340.86
RENT:			
Veljan Investments Limited			22.77
			-22.77
JOB EXPENSES:			
Ecmat Limited			886.78
			-788.21
SALES			
Ecmat Limited			1.12
			-1.20
JOB EXPENSES:			
JDM Hydro Pneumatic Ltd.			13.24
			-11.16
PROFESSIONAL CHARGES:			
Veljan Investments Limited			25.04
			-24.44
B. Balance as at 31.03.2014	27.48	13.74	
Payables	-81.08	-15.62	95.78
			-216.92
Receivable			1743.30
			-2881.76
Loan Paid to M/s Veljan Investment Limited			1800.00



7. In the opinion of the management, the current assets, loans and advances are expected to realise the amount at which they are stated, if realised in the ordinary course of business and provision for all known liabilities have been adequately made in the accounts.
8. Balances in personal accounts are subject to confirmation and there by reconciliation
9. The company has Installed machinery worth Rs. 370.72 /- ,(previous year Rs. 370.72) in M/s Ecmat Ltd, for the job works given to them.

---

**SIGNIFICANT ACCOUNTING POLICIES****Note No. 24**

---

The following are the significant accounting policies adopted by the company in the preparation and presentation of financial statements :

1. Financial Statements are Prepared based on historical cost convention and in accordance with Generally accepted accounting principles
2. Fixed assets are stated at cost net of Cenvat and Vat credit less accumulated depreciation. Cost of acquisition of Fixed assets is inclusive of freight, duties and taxes wherever input credits are not availed and cost of installation/erection expenses.
3. Depreciation on Tangible assets of the company is provided on straight line method as per Schedule XIV of the Companies Act, 1956. Intangible asset software is written off over a period of 3 years.
4. Raw materials and consumables stores are valued at cost on weighted average method, Finished Goods and Work-in-Progress are valued at cost on weighted average method or realisable value whichever less
5. Jigs & Fixtures and Patterns are (valued after providing for) amortisation at 20% and 10% respectively Under written down value method. Initial tools were capitalised and amortised at 10% on WDV value and further issue of tools are charged to revenue as and when issued.
6. Contributions to Provident Fund are remitted to the Provident Fund Commissioner at prescribed rates Group Gratuity Schemes administered through Trustees for which policies are taken from Life Insurance Corporation of India. The said remittances and premiums are charged to the revenue.
7. Liability in respect of Encashment of leave salary to the Employees of the company is provided for actual basis.
8. All contingent Liabilities are indicated by way of a note and will be provided/paid on crystallisation.
9. Sales are inclusive of Excise duty, Sales tax and packing charges collected.
10. Provision for tax is made for both current and deferred taxes. Current Tax is provided on the taxable income using the applicable tax rates and tax laws.
11. Foreign currency transaction:
  - a) Transaction in foreign currency are initially accounted at the exchange rate prevailing on the date of transaction and adjusted appropriately to Capital or revenue, with the difference in the rate of exchange arising on actual receipt/payment during the year.
  - b) At each Balance Sheet date :  
Foreign currency monetary items are reported using the rate of exchange on that date.  
Foreign currency non monetary items are reported using the exchange rate at which they are initially recognised.

**12 Impairment of Assets:**

At the date of each Balance Sheet, the company evaluates for indications of impairment internally if any to the carrying amounts of its fixed assets. If any indications exist, the recoverable amount is estimated at the higher of the realisable value and value in use, as considered appropriate. If the estimated realisable value is less than the carrying amount, and impairment loss is recognised.

Reversal of impairment loss recognised in prior years is recorded when there is an indication that the impairment loss recognised for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years.

---

As Per our report of even date  
for **BRAHMAYYA & CO.,**  
Chartered Accountants,  
Firm regn No. 000513S

**K S Rao**  
Partner  
Membership No. 015850

**V C Janardan Rao**  
Chairman

**Srinivas VG**  
Managing Director

**K. Girija Bala**  
Company Secretary

Place: Hyderabad  
Date : 30-05-2014

**VELJAN DENISON LIMITED**  
**(CIN: L29119TG1973PLC001670)**

**Registered Office: Plot No.44, 4th Floor, HCL Towers, Chikoti Gardens,  
Begumpet, Hyderabad - 500 016, Telangana  
Tel: 91 040 27764546, Fax: 91 040 27765253  
Email: comp\_secy@veljan.in Website: www.veljan.in**

**ATTENDANCE SLIP**

**40th Annual General Meeting**

I hereby state that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the Annual General Meeting of the Company held on Tuesday, the 30th day of September, 2014 at 11.30 a.m. at Plot No. A18 & 19, APIE, Balanagar, Hyderabad - 500 037, Telangana, India, or/any adjournment thereof.

Name of the attending Shareholder:.....  
(in block letters)

Name of the Proxy:.....  
(to be filled in if proxy attends)

Signature of Shareholder:.....

Signature of Proxy:.....

Registered Folio Number: or DP/ Client ID No. ....

Number of Shares held: .....

Note:

1. Shareholders/proxy holders are requested to bring the Attendance Slips with them duly completed when they come to the meeting and hand them over at the entrance, affixing their signature on them.
2. Members are informed that no duplicate attendance slips will be issued at the venue of the meeting.



**VELJAN DENISON LIMITED**  
**(CIN: L29119TG1973PLC001670)**

**Registered Office: Plot No.44, 4th Floor, HCL Towers, Chikoti Gardens,  
Begumpet, Hyderabad - 500 016, Telangana  
Tel: 91 040 27764546, Fax: 91 040 27765253  
Email: comp\_secy@veljan.in Website: www.veljan.in**

**PROXY FORM**

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

Name of the Shareholder(s):.....  
Address of the Shareholder(s):.....  
E-mail Id:.....  
Folio No. / DP id & Client id: .....

I / We being the member(s) of ..... Shares of Veljan Denison Limited, hereby appoint:

1. Name:.....  
Address:.....  
E-mail Id:.....  
Signature:..... or failing him:

2. Name:.....  
Address:.....  
E-mail Id:.....  
Signature:..... or failing him:

3. Name:.....  
Address:.....  
E-mail Id:.....  
Signature:.....

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 40th Annual General Meeting of the company at Tuesday, the 30th day of September, 2014 at 11.30 a.m. at Plot No. A18 & 19, APIE, Balanagar, Hyderabad - 500 037, Telangana, India, or/any adjournment thereof in respect of such resolutions as are indicated below:

**Ordinary Business:**

1. To receive, consider and adopt, the audited statement of profit and loss for the financial year ended on 31st March 2014 and the balance sheet as at that date and the reports of the board of directors and auditors thereon.
2. To appoint a Director in place of Shri G K Kabra, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s. Brahmayya & Co., Chartered Accountants (FRN: 000513S), as auditors of the company.
4. To appoint Mrs. Umadevi Uppaluri as Director (Woman Director).
5. To appoint Shri G K Kabra as an independent director for a period of five years.
6. To appoint Shri Mohanlal Lilaram Motwani as an independent director for a period of five years.
7. To appoint Shri Pattabhi Vangala as an independent director for a period of five years.
8. To appoint Shri Subbiah Srinivasan Battina as an independent director for a period of five years.

Signed this.....day of .....2014 (Affix Revenue Stamp)

Signature of Shareholder..... Signature of Proxy holder(s).....

**Note:** The proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.








— Veljan Denison Limited —



## FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1	Name of the Company	Veljan Denison Limited
2	Annual financial statements for the year ended	31st March,2014
3	Type of Audit Observation	Nil
4	Frequency of Observation	Nil
5	To be signed by	
	CEO/Managing Director	 SRINIVAS VG MANAGING DIRECTOR 
	CFO	 DHEERA KUMAR CHIEF FINANCE OFFICER 
	Auditor of the Company	For BRAHMAYYA & CO., Chartered Accountants, Firm Regn.No.000513S   K S RAO Partner Membership No.15850
	Audit Committee Chairman	 V.PATTABHI