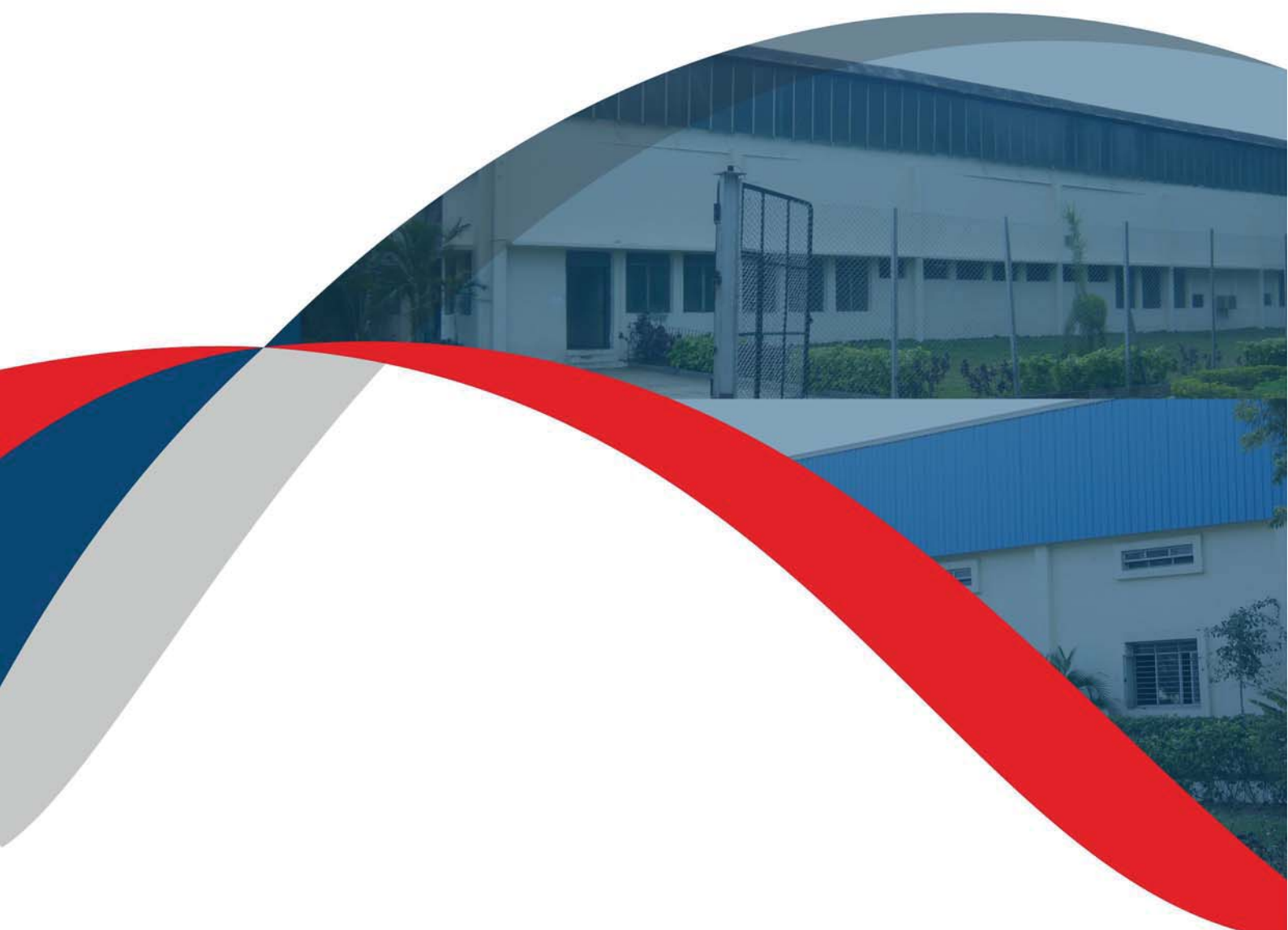


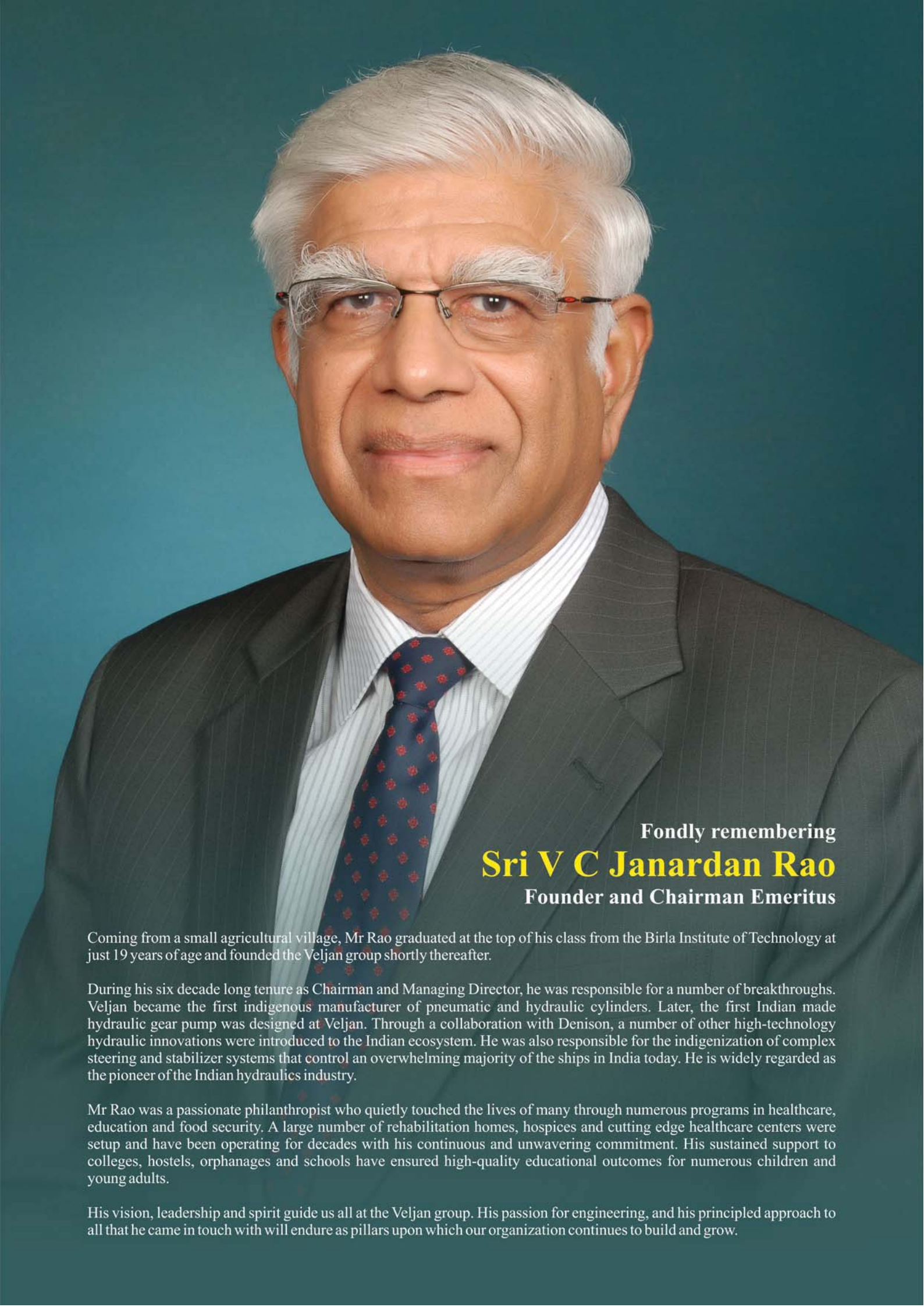


Veljan Denison Limited



**51<sup>st</sup>**  
**ANNUAL**  
**REPORT**  
**2024-2025**





Fondly remembering  
**Sri V C Janardan Rao**  
Founder and Chairman Emeritus

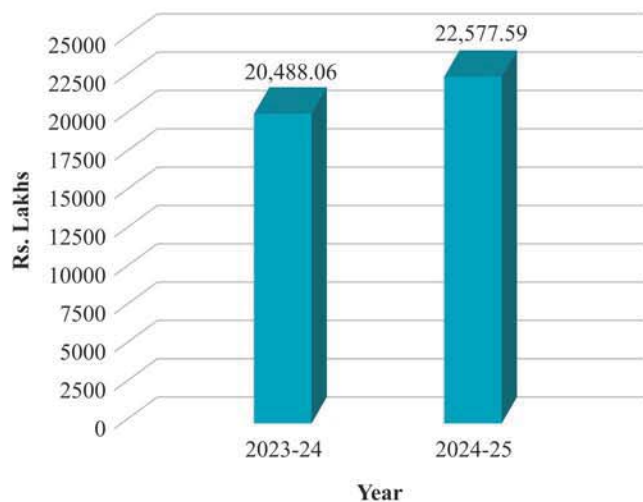
Coming from a small agricultural village, Mr Rao graduated at the top of his class from the Birla Institute of Technology at just 19 years of age and founded the Veljan group shortly thereafter.

During his six decade long tenure as Chairman and Managing Director, he was responsible for a number of breakthroughs. Veljan became the first indigenous manufacturer of pneumatic and hydraulic cylinders. Later, the first Indian made hydraulic gear pump was designed at Veljan. Through a collaboration with Denison, a number of other high-technology hydraulic innovations were introduced to the Indian ecosystem. He was also responsible for the indigenization of complex steering and stabilizer systems that control an overwhelming majority of the ships in India today. He is widely regarded as the pioneer of the Indian hydraulics industry.

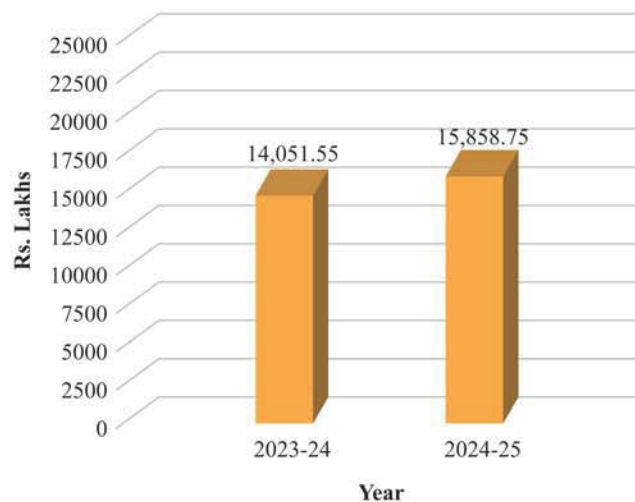
Mr Rao was a passionate philanthropist who quietly touched the lives of many through numerous programs in healthcare, education and food security. A large number of rehabilitation homes, hospices and cutting edge healthcare centers were setup and have been operating for decades with his continuous and unwavering commitment. His sustained support to colleges, hostels, orphanages and schools have ensured high-quality educational outcomes for numerous children and young adults.

His vision, leadership and spirit guide us all at the Veljan group. His passion for engineering, and his principled approach to all that he came in touch with will endure as pillars upon which our organization continues to build and grow.

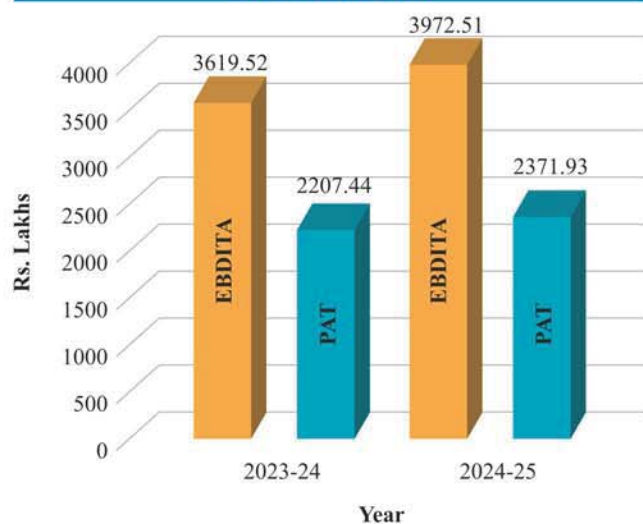
### NET WORTH



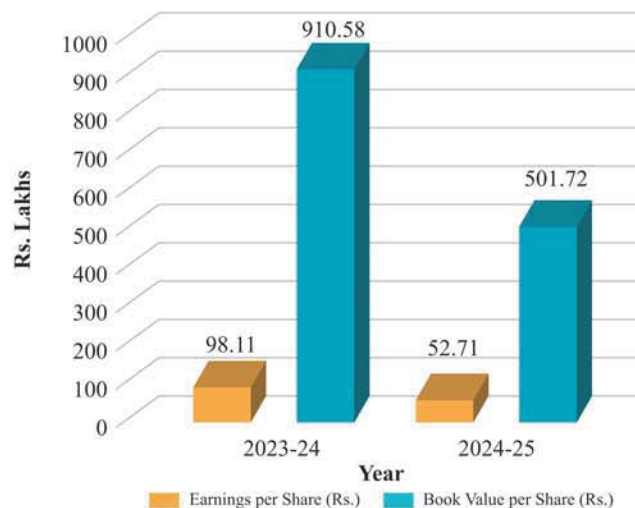
### REVENUE



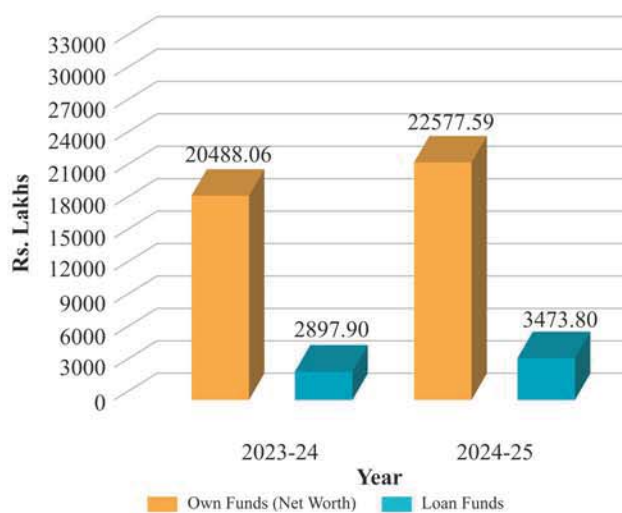
### PROFIT TREND



### EARNING PER SHARE & BOOK VALUE \*



### CAPITAL EMPLOYED



\*Note: The downstream variance in Earning Per Share and Book Value is due to issue of Bonus Shares in the Financial Year 2024-25.



**BOARD OF DIRECTORS:**

(as on 02-08-2025)

**Mr. U. SRI KRISHNA (DIN 08880274)**  
Managing Director & CEO

**Dr. A. SURESH (DIN 06931014)**  
Independent Director

**Mr. G. NARAYAN RAO (DIN 00029120)**  
Independent Director

**Mrs. U.UMA DEVI (DIN 00125840)**  
Non-Executive Director

**Mr. V.G. SRINIVAS (DIN 00181826)**  
Non-Executive Director

**Mr. MANISH MOHAN MOTWANI (DIN 00394860)**  
Independent Director

**MR. VIDYA SAGAR GANNAMANI (DIN 10792128)**  
Additional Director (Independent)

**BOARD'S SUB – COMMITTEES**

(as on 02.08.2025)

**1. Audit Committee**

Mr. Manish Mohan Motwani- Chairman  
Dr. A. Suresh  
Mr. G. Narayan Rao  
Mr. U. Sri Krishna

**2. Corporate Social Responsibility(CSR) Committee**

Mr.G. Narayan Rao-Chairman  
Mrs. U. Uma Devi  
Mr.V G Srinivas

**3. Nomination & Remuneration Committee**

Mr. Manish Mohan Motwani - Chairman  
Mrs. U. Uma Devi  
Mr. G. Narayan Rao

**4. Stakeholder's Relationship Committee**

Dr. A. Suresh Akella -Chairman  
Mr.V G Srinivas  
Mr.. U. Sri Krishna

**SENIOR MANAGEMENT**

Chief Financial Officer:  
Mr. G. SUBBA RAO

**Company Secretary & Compliance Officer**

Mr. B. NARAHARI (till 23.12.2024)  
Mrs. K. RAMYANKA YADAV (w.e.f 13.02.2025)

**Statutory Auditors:**

M/s. BRAHMAYYA & CO.  
Chartered Accountants  
Flat No 403 & 404, 4<sup>th</sup> Floor,  
Golden Green Apartments,  
Erramanzil Colony, Hyderabad – 500082

**Secretarial Auditor:**

M/s Chakravarthy & Associates  
Regd Off: Plot No.256,  
Employees Colony, Yapral, Secunderabad,  
Hyderabad-500 087

**Internal Auditor:**

M/s. M V NARAYANA REDDY & Co.  
Chartered Accountants  
Flat No.504, Vijaya Sree Apartments  
Behind Chermas, Ameerpet,  
Hyderabad – 500073

**Bankers:**

Canara Bank  
HDFC Bank Ltd.  
HSBC Ltd

**Registered Office:**

A18, 19, A P I E, Balanagar,  
Hyderabad-500037  
Ph. No.: 040-2776 3525  
Fax No.: 040-23773963

**Factory:**

Plot No. 10A, Phase-I, I.D.A,  
Patancheru - 502 319,  
District Sangareddy, Telangana  
Ph. No.: 08455-242013, 242020 & 242049  
Fax No.: 08455-242085

**Registrar and Share Transfer Agents**

M/s Venture Capital and  
Corporate Investments Private Limited  
“AURUM”, Door No.4-50/P-II/57/4F &  
5F, Plot No.57, 4<sup>th</sup> & 5<sup>th</sup> Floors, Jayabheri  
Enclave Phase – II, Gachibowli,  
Hyderabad – 500 032, Telangana.  
Phone: +91 040 23818475/35164940

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**HIGHLIGHTS OF TEN YEAR'S PERFORMANCE**

(Figures in Rs Lakhs)

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
1. Sales & other income	8,076.70	8,325.42	9,815.97	8,865.07	8,404.51	7,538.00	10,031.97	11,268.07	12,697.19	14,435.58
2. Profit Before int, dep & tax	2,198.39	2,377.95	2,868.61	2,722.86	2,282.40	1,526.46	2,813.92	2,539.37	3,307.95	3,621.26
3. Profit before extraordinary/ exceptional Items & Tax	1,783.93	1,942.55	2,482.39	2,266.33	1,811.37	1,023.80	2,320.92	1,976.49	2,730.97	3,074.10
4. Profit after Tax	1,254.21	1,452.67	1,627.73	1,633.30	1,343.58	685.50	1,687.71	1,458.17	2,036.53	2,247.51
5. Net Fixed Assets	2,934.23	2,708.83	2,987.96	4,839.28	6,233.35	6,483.89	6,506.60	7,406.30	8,046.40	8,402.07
6. Share Capital	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	450.00
7. Reserves & Surplus	9,796.65	11,249.32	12,607.87	13,970.36	14,771.42	15,456.92	16,919.63	18,085.31	19,829.34	21,512.98
8. Net Worth	10,021.65	11,474.32	12,832.87	14,195.36	14,996.42	15,681.92	17,144.63	18,310.31	20,054.34	21,962.98
9. Return on Net worth(RONW) PAT/Networth	12.52%	12.66%	12.68%	11.51%	8.96%	4.37%	9.84%	7.96%	10.16%	10.23%
10. % of Employee cost to net turnover	9.13	9.48	7.55	8.00	8.90	9.38	8.46	9.07	8.64	9.44
11. Cash Earnings per share(Rs)	67.14	76.51	85.15	87.54	77.72	51.56	96.56	87.26	112.65	61.71
12. Earnings per share (Rs)	55.74	64.56	72.34	72.59	59.71	30.47	75.01	64.81	90.51	49.94
13. Dividend per Share (Rs)	10.00	10.00	10.00	10.00	10.00	10.00	10.00	13.00	13.00	8.50
14. Book Value per Share(Rs)	445.41	509.97	570.35	630.90	666.51	696.97	761.98	813.79	891.30	488.07
15. Sundry Debtors - No of Days	291.16	244.92	212.24	194.09	136.79	120.16	104.27	78.57	71.02	71.58
16. Turnover/Avg Inventory (Times)	2.94	2.75	3.29	2.99	1.79	1.48	1.62	1.67	1.53	1.54
17. Current Ratio	3.70	3.44	4.29	3.47	4.64	4.39	5.01	4.07	5.06	4.96
18. Debt-Equity Ratio	0.34	0.36	0.26	0.28	0.18	0.18	0.16	0.18	0.13	0.15

**VELJAN DENISON LIMITED**

(CIN: L29119TG1973PLC001670)

**Regd. Office:** A18,19, A P I E, Balanagar, Hyderabad, Telangana – 500 037**Phone:** +91-40-2776 3525 **Fax:** +91-40-23773963**Website:** www.veljan.in **E-mail:** info@veljan.in**NOTICE OF 51<sup>st</sup> ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the **51<sup>st</sup> Annual General Meeting** of the members of Veljan Denison Limited (CIN: L29119TG1973PLC001670) will be held on **Friday, the 29<sup>th</sup> day of August, 2025**, at **3.00 P.M.** at its Registered Office at **Plot No. A 18 & 19, APIE, Balanagar, Hyderabad – 500 037** to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt:
  - a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2025, together with the Reports of the Board of Directors and the Auditors thereon; and
  - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2025, together with the Report of the Auditors thereon.
2. To declare a final dividend of Rs. 8.50/- per equity share of Rs. 10/- each on the paid-up capital of Rs. 4.50 Crores for the financial year ended March 31, 2025.
3. To appoint a director in place of Mrs. Uma Devi Uppaluri (DIN 00125840), who retires by rotation and being eligible, offers herself for re-appointment.

**SPECIAL BUSINESS:****4. Appointment of Mr. Vidya Sagar Gannamani as an Independent Director of the Company:**

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 161 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (“Act”), read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 (“Rules”), and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and the Articles of Association of the Company, as amended from time to time, and pursuant to the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company (hereinafter referred to as “the Board,” which term shall be deemed to include any Committee constituted or to be constituted by the Board to exercise its powers, including the powers conferred by this Resolution), Mr. Vidya Sagar Gannamani (DIN 10792129), who was appointed as an Additional Director of the Company in the Independent category at the Board meeting held on May 30, 2025 and who holds office up to the date of the ensuing Annual General Meeting or within three months from the date of his appointment, whichever is earlier, and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Companies Act, 2013 and the rules made thereunder, be and is hereby appointed as an Independent Director of the Company for a term of five (5) years with effect from May 30, 2025 to May 29, 2030, and who shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors or Company Secretary of the Company, including any Committee thereof, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution.”



**5. Re-designation of Mr. Sri Krishna Uppaluri (DIN 08880274), Executive Director & CEO to Managing Director & CEO of the Company.**

To consider and if thought fit to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V thereto, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable laws, regulations, and Articles of Association of the Company, and subject to such other approvals, permissions and sanctions as may be necessary and pursuant to the recommendations of the Nomination and Remuneration Committee and the Board of Directors and consent of the members of the Company be and is hereby accorded for the re-designation of Mr. Sri Krishna Uppaluri (DIN 08880274), who is currently designated as Executive Director & CEO to Managing Director & CEO of the Company, for the remainder of his existing tenure, on the existing terms and conditions of remuneration as mentioned in the explanatory statement annexed to this Notice, with effect from May 30, 2025.

**RESOLVED FURTHER THAT** the Board of Directors or Company Secretary of the Company, (including any Committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution and to settle any question, difficulty or doubt that may arise in this regard.”

**6. Appointment of M/s. Chakravarthy & Associates, Company Secretaries as Secretarial Auditor of the Company:**

To consider and if thought fit to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modification(s) or re-enactment(s) thereof for the time being in force and based on the recommendation of the Audit Committee and the Board of Directors, the consent of the Members be and is hereby accorded for the appointment of M/s. Chakravarthy & Associates, Practicing Company Secretaries, Hyderabad (Firm Unique Code: S2020TL757200 & Peer Review Certificate No. 6621/2025) as the Secretarial Auditor of the Company for a term of five (5) consecutive financial years, i.e. 2025-26 to 2029-30, at such remuneration (plus applicable taxes and out of pocket expenses at actuals) and on such terms and conditions as may be agreed between the Company and the Secretarial Auditors.”

**RESOLVED FURTHER THAT** the Board of Directors and/or the Company Secretary be and is hereby authorized to do all such acts, deeds, matters and things to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**7. Ratification of the remuneration Cost Accountants for the financial year 2025-26:**

To consider and if thought fit to pass, with or without modification (s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), **M/s SRK & Co**, Cost Accountants appointed as the Cost Auditors by the Board of Directors of the Company to audit the cost records of the Company for the financial year 2025-26, be paid a remuneration of Rs. 1,35,000/- (Rupees One Lakh Thirty Five Thousand only) per each financial year plus applicable taxes, if any.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things which are necessary, to give effect to this resolution.”

**8. To approve material related party transaction to be entered with M/s Veljan Hydrair Limited, Related Party:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

“**RESOLVED THAT** pursuant to the Regulations 2(1)(zc), 23(4) and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, the applicable provisions of the Companies Act, 2013 (“Act”) read with Rules made thereunder, other applicable laws/statutory provisions, if any [including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force], the Company’s Policy on Related Party Transactions and subject to such approval(s), consent(s), permission(s) as may be necessary from time to time and on basis of the approval and recommendation of the Audit Committee and the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to enter/continue to enter into Material Related Party Transaction(s)/Contract(s)/ Arrangement(s)/Agreement(s) (whether by way of an individual transaction or transaction taken together or series of transactions or otherwise) with M/s Veljan Hydrair Limited, a related party pursuant to Section 2(76) of the Act and Regulation 2(1) (zb) of the SEBI Listing Regulations, during financial year 2025-26, for an aggregate value not exceeding Rs.110 crores, on such material terms and conditions as detailed in the explanatory statement to this Resolution and as may be mutually agreed between the related party and the Company, provided that the said Transaction(s)/ Contract(s)/Arrangement(s)/Agreement(s) shall be carried out in the ordinary course of business and at arm’s length basis.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as ‘Board’ which term shall be deemed to include the Audit Committee of the Company and any duly constituted / to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred to, without being required to seek further consent or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Director(s) or Chief Financial Officer or Company Secretary of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s).”

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects.

**9. To approve material related party transaction to be entered with M/s Suxus Systems Limited, Related Party:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

“**RESOLVED THAT** pursuant to the Regulations 2(1)(zc), 23(4) and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, the applicable provisions of the Companies Act, 2013 (“Act”) read with Rules made thereunder, other applicable laws/statutory provisions, if any [including any

statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force], the Company's Policy on Related Party Transactions and subject to such approval(s), consent(s), permission(s) as may be necessary from time to time and on basis of the approval and recommendation of the Audit Committee and the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to enter/continue to enter into Material Related Party Transaction(s)/Contract(s)/Arrangement(s)/Agreement(s) (whether by way of an individual transaction or transaction taken together or series of transactions or otherwise) with **M/s Suxus Systems Limited**, a related party pursuant to Section 2(76) of the Act and Regulation 2(1) (zb) of the SEBI Listing Regulations, during financial year 2025-26, for an aggregate value not exceeding Rs.35 crores, on such material terms and conditions as detailed in the explanatory statement to this Resolution and as may be mutually agreed between the related party and the Company, provided that the said Transaction(s) / Contract(s) /Arrangement(s) /Agreement(s) shall be carried out in the ordinary course of business and at arm's length basis.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as 'Board' which term shall be deemed to include the Audit Committee of the Company and any duly constituted/to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred to, without being required to seek further consent or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Director(s) or Company Secretary of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s).

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

#### **10. To approve material related party transaction to be entered with M/s ECMAT Limited, Related Party:**

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the Regulations 2(1)(zc), 23(4) and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, the applicable provisions of the Companies Act, 2013 ("Act") read with Rules made thereunder, other applicable laws/statutory provisions, if any [including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force], the Company's Policy on Related Party Transactions and subject to such approval(s), consent(s), permission(s) as may be necessary from time to time and on basis of the approval and recommendation of the Audit Committee and the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to enter/continue to enter into Material Related Party Transaction(s)/Contract(s)/ Arrangement(s)/Agreement(s) (whether by way of an individual transaction or transaction taken together or series of transactions or otherwise) with M/s ECMAT Limited, a related party pursuant to Section 2(76) of the Act and Regulation 2(1) (zb) of the SEBI Listing Regulations, during financial year 2025-26, for an aggregate value not exceeding Rs.35 crores, on such material terms and conditions as detailed in the explanatory statement to this Resolution and as may be mutually agreed between the related party and the Company, provided that the said Transaction(s)/ Contract(s)/Arrangement(s)/Agreement(s) shall be carried out in the ordinary course of business and at arm's length basis.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as 'Board' which term shall be deemed to include the Audit Committee of the Company and any duly constituted/to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this

resolution) be and is hereby authorized to do all such acts, deeds, matters and things as it may deemed fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred to, without being required to seek further consent or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Director(s) or Company Secretary of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s).

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects.

**Place: Hyderabad**  
**Date: 02.08.2025**

For and on behalf of the Board of  
**Veljan Denison Limited**  
Sd/-  
**Sri Krishna Uppaluri**  
**Managing Director & CEO**  
**(DIN 08880274)**

**Notes:**

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the 'Act') in respect of the Special Business specified under Item no(s) 4 to 10 of the accompanying Notice is annexed hereto. The Board of Directors has considered and decided to include the said items given above as Special Business in the forthcoming AGM, as they were unavoidable in nature.
2. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself herself and such proxy need not be a member. A proxy form for the AGM is enclosed.**
3. The instrument appointing a proxy, to be effective, must reach the Registered Office of the Company not less than 48 hours before the commencement of the meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than 10% of total share capital of the Company. In case a proxy is proposed to be appointed by a shareholder holding more than 10% of the total share capital of the company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
4. Corporate members intending to send their authorized representativity to attend the meeting are requested to send to the Company a certified copy of the Board Resolution / Power of Attorney authorizing their representative to attend and vote on their behalf at the meeting.
5. Brief resume of Directors /persons proposed to be appointed /reappointed as stipulated under Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India is provided as annexure to this Notice.
6. Documents referred to in the Notice are available for inspection at the Registered Office of the Company during office hours on all days except Saturdays, Sundays and public holidays up to the date of the Annual General Meeting.
7. The Attendance slip and proxy form and the instructions for e-voting are annexed hereto. The route map to the venue of the Annual General Meeting is attached and forms part of the Notice.
8. Register of Members and transfer books of the Company will remain closed from Saturday, 23<sup>rd</sup> August, 2025 to Friday, August 29<sup>th</sup>, 2025 (both days inclusive).
9. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 01<sup>st</sup>, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ Venture Capital and Corporate Investments Private Limited (RTA) (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to **comp\_sec@veljan.in** or by post to the Company by 5.00.P.M (IST) on August 26<sup>th</sup>, 2025.
10. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to the RTA / Company. The aforesaid declarations and documents need to be submitted by the shareholders by 5.00.P.M IST on August 26<sup>th</sup>, 2025.
11. Members, who hold shares in electronic / demat form are requested to furnish the change of address, details of their bank accounts, viz, name of the bank, full address of the branch, account no. etc., to their respective Depository Participants and who hold shares in physical form to the Company's Registrars and Transfer Agents M/s. Venture Capital and Corporate Investments Private Limited, "AURUM", Door No.4-50/P-II/57/4F & 5F, Plot No.57, 4<sup>th</sup> & 5<sup>th</sup> Floors, Jayabheri Enclave Phase – II, Gachibowli, Hyderabad – 500 032, Telangana. Phone: +91 040 23818475/35164940 so as to enable the Company to transfer the dividend through ECS.
12. Members are informed that the amount of dividend which remains unclaimed for a period of 7 years, the unpaid / unclaimed dividends along with underlying shares thereto liable to be transferred to Investor Education and Protection Fund (IEPF) administered by the Central Government. Members are requested to refer website of the



Company [www.veljan.in](http://www.veljan.in) as details are made available by the Company pursuant to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017.

Any member, who has not claimed dividend for the financial year ended 2018-19 onwards, is requested to approach the Company in this respect.

As per Section 124(6) of the Companies Act, 2013 read with IEPF Rules as amended from time to time, all the shares in respect of which dividend has remained unpaid/ unclaimed for seven consecutive years or more are required to be transferred to an IEPF Demat Account. The Company will transfer unpaid/ unclaimed dividend till the financial year 2017-18 along with underlying shares to IEPF authorities, if any. The Company will initiate the necessary steps on due dates to transfer shares held by the members to IEPF along with dividend remaining unpaid/ unclaimed thereon.

Members, may please note that in the event of transfer of such shares and unclaimed dividends to IEPF, members are entitled to claim the same from IEPF authorities by submitting an online application in the prescribed Form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same duly signed to the Company along with requisite documents enumerated in the Form IEPF-5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.

13. The shareholders who have not encashed their earlier dividend warrants are requested to write to the Company immediately for claiming outstanding dividends declared by the Company.
14. As per RBI notification, with effect from 1st October, 2009, the remittance of the money through ECS was replaced by National Electronic Clearing Service (NECS) and banks have been instructed to move to the NECS Platform. For the shareholders holding shares in electronic form, please furnish the new Bank Account Number as allotted to you by the bank after implementation of its Core Banking Solutions along with a photocopy of a cheque pertaining to the concerned account to your Depository Participant.
15. Pursuant to Section 72 of the Companies Act, 2013 and the Rules made there under the members holding shares in single name may, at any time, nominate in form SH-13, any person as his / her nominee to whom the securities shall vest in the event of his / her death. Nomination would help the nominees to get the shares transmitted in their favor without hassles. Members desirous of making any cancellation / variation in the said nomination can do so in SH-14.
16. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a "Green Initiative in Corporate Governance" and allowed companies to share documents with its members in the electronic mode. Regulation 36 of SEBI (LODR) Regulations, 2015 also permits companies to send soft copies of the Annual Report to all those shareholders who have registered their e-mail address for the said purpose. Members are requested to support this green initiative by registering/ updating their e-mail addresses for receiving electronic communications.
17. The Equity shares of the Company are tradable in dematerialized form. In view of the same and to avail of the inbuilt advantages of the ECS payment, nomination facility and other advantages, the shareholders are requested to get their shares in demat form. The Company is registered with National Securities Depository Ltd. ('NSDL'), and Central Depository Services (India) Ltd. ('CDSL'), for dematerialization of its Equity Shares. The Company's ISIN No. **INE232E01013**.
18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the R & T Agent, namely M/s. Venture Capital and Corporate Investments Private Limited, "AURUM", Door No.4-50/P-II/57/4F & 5F, Plot No.57, 4<sup>th</sup> & 5<sup>th</sup> Floors, Jayabheri Enclave Phase – II, Gachibowli, Hyderabad – 500 032, Telangana. Phone: +91 040 23818475/35164940.
19. SEBI has decided that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a Depository. This measure has come into effect from April 01, 2019. Notices have been issued to all Shareholders holding Shares in physical mode informing them that as per revised regulation 40 of the SEBI (LODR) Regulations, 2015, shares will no longer be transferred in physical mode. Shareholders are therefore requested to dematerialize their existing shares in physical form. In this regard, SEBI has also clarified that:

- a) The above decision does not prohibit the investor from holding the shares in physical form; investor has the option of holding shares in physical form even after April 01, 2019.
  - b) Any investor who is desirous of transferring shares (which are held in physical form) after April 01, 2019 can do so only after the shares are dematerialized.
  - c) The transfer deed(s) once lodged prior to deadline and returned due to deficiency in the document may be re lodged for transfer even after the deadline of April 01, 2019 extended till **January 6<sup>th</sup>, 2026**.
20. Pursuant to the General Circular numbers 20/2020, 17/2020 and 14/2020 dated May 5, 2020, April 13, 2020 and April 8, 2020 respectively, issued by the Ministry of Corporate Affairs (MCA) and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as “the Circulars”), Soft copy of the Annual Report for 2024-25 is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s)/RTA for communication purposes. No physical copy of the Notice and the Annual Report will be sent to members who have not registered their e-mail addresses with the Company / DPs /RTA unless any member has requested for a physical copy of the same. Members may also note that Notice of this Meeting and the Annual Report will be available on the Company’s website [www.veljan.in](http://www.veljan.in) for their download.
21. Members/ proxies are requested to fill in the enclosed attendance slip and deposit the same at the entrance of the meeting gate. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting.
22. Members seeking any information with regard to the accounts or any other queries may send their request to the Company at **comp\_secy@veljan.in** at least seven days before the AGM and the same will be replied by the Company suitably.
23. 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. Members who hold shares in dematerialized form are requested to bring their client ID and DPID numbers for easy identification.
24. Voting through electronic means;

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 National Securities Depository Limited (NSDL).

#### **VOTING AT AGM:**

The members who have not cast their votes through remote e-voting may attend and cast their votes at the Annual General Meeting through Ballot Form which shall be made available for use at the meeting.

The members who have already casted their votes through remote e-voting may attend the meeting but shall not be entitled to vote thereat. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

#### **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER: -**

**The remote e-voting period begins on August 26, 2025 at 9:00 A.M. and ends on August 28, 2025 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. August 22, 2025 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday, August 22<sup>nd</sup>, 2025.**

**How do I vote electronically using NSDL e-Voting system?**

**The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:**





**How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:*

**Step 1: Access to NSDL e-Voting system****A) Login method for e-Voting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> <li>Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <b>App Store</b> </div> <div style="text-align: center;">  <b>Google Play</b> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div> </div>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p>

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

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

Login Type	Helpdesk Details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800-21-09911

**B) Login Method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***



5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at **evoting@nsdl.com** mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**How to cast your vote electronically on NSDL e-Voting system?**

- 1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- 2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period.

3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to **csnmreddy@gmail.com** with a copy marked to **evoting@nsdl.com**. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on : 022 - 4886 7000 or send a request to at **evoting@nsdl.com**
4. The voting rights shall be as per the number of equity share held by the Member(s) as on August 22<sup>nd</sup>, 2025. Members are eligible to cast vote electronically only if they are holding shares as on that date.
5. The Companies (Management and Administration) Amendment Rules, 2014 provides that the electronic voting period shall close at 5.00 P.M. on the date preceding the date of AGM. Accordingly, the voting period shall commence at 9.00 a.m. on Tuesday, August 26<sup>th</sup>, 2025 and shall close at 5.00 P.M. on Thursday, August 28<sup>th</sup>, 2025. The e-voting module shall be disabled by National Securities Depository Limited (NSDL) on 28<sup>th</sup> August, 2025 after 5.00 p.m.
6. 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 22<sup>nd</sup> August, 2025.
7. Mr. N P Chakravarthy, Chakravarthy & Associates, Practicing Company Secretary (Membership No: A32380, CP No: 22563) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and she will submit her report within the period not exceeding two working days from the conclusion of e-voting. The Chairman will declare the results within two days from the conclusion of the AGM of the Company accordingly and will also be placed at

the company website and also forward the same to the stock exchanges where the shares has been listed. Subject to receipt of requisite number of votes, the resolutions proposed in the Notice shall be deemed to be passed on the date of the AGM, i.e. Friday, August 29<sup>th</sup>, 2025.

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-Voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **comp\_secy@veljan.in**.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to **comp\_secy@veljan.in**. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to **evoting@nsdl.co.in** for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

## EXPLANATORY STATEMENT

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

### Item No. 4: Appointment of Mr. Vidya Sagar Gannamani as an Independent Director of the Company:

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on May 30, 2025 appointed Mr. Vidya Sagar Gannamani as an Additional Director who shall hold office up to the date of the ensuing Annual General Meeting or within three months from his appointment, whichever is earlier, pursuant to the provisions of Section 161 of the Act and rules made thereunder and the Articles of Association of the Company.

The Nomination and Remuneration Committee (NRC), taking into consideration the skills, expertise, and competencies required for the Board in the context of the Company's business and sectors, and based on the performance evaluation, concluded and recommended to the Board that Mr. Vidya Sagar Gannamani qualifications and extensive experience meet the skills and capabilities required for the role of Independent Director of the Company. The Board is of the opinion that Mr. Vidya Sagar Gannamani continues to possess the identified core skills, expertise, and competencies fundamental for effective functioning in his role as an Independent Director of the Company.

The Company has received a declaration from Mr. Vidya Sagar Gannamani confirming that he meets the criteria of Independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In terms of Regulation 25(8) of the Listing Regulations, Mr. Vidya Sagar Gannamani has confirmed that he is not aware of any circumstance or situation that exists or may be reasonably anticipated, which could impair or impact his ability to discharge his duties. Mr. Vidya Sagar Gannamani has confirmed that he is not debarred from holding the office of Director of the Company by virtue of any SEBI order or any other such authority.

Further, Mr. Vidya Sagar Gannamani is not disqualified from being appointed as a Director under Section 164 of the Act and has given her consent to act as a Director. He has also confirmed that she is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs (IICA).

Accordingly, it is proposed to appoint Mr. Vidya Sagar Gannamani as an Independent Director of the Company, who shall not be liable to retire by rotation.

The Board recommends a Special Resolution set out at Item No. 4 of the accompanying notice for approval of Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

### Item No. 5: Re-designation of Mr. Sri Krishna Uppaluri (DIN 08880274), Executive Director & CEO to Managing Director & CEO of the Company.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, at its meeting held on 30.05.2025 approved the re-designation of Mr. Sri Krishna Uppaluri (DIN 08880274) from Executive Director & CEO to Managing Director & CEO of the Company, with effect from May 30, 2025 for the remainder of his existing tenure, i.e., up to September 29, 2028, on the existing terms and conditions of remuneration.

Mr. Sri Krishna Uppaluri was appointed as Executive Director & CEO of the Company for a period of five years with effect from September 30, 2023, to September 29, 2028. In recognition of his leadership, performance, and significant contributions to the growth of the Company and with the view of ensuring effective succession in management post the demise of the erstwhile CMD and founder Late Sri Velamati Chandra Sekhar Janardan Rao garu, the Board considers it appropriate to re-designate him as Managing Director & CEO, thereby entrusting him with enhanced responsibilities and authority.

The key terms and conditions of Mr. Uppaluri Sri Krishna appointment remains unchanged.

The Board recommends a Special Resolution set out at Item No. 5 of the accompanying notice for approval of Members

Except Mr. Sri Krishna Uppaluri for his own appointment and Mrs. U. Uma Devi, Director and Mr. V G Srinivas, Director being his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice of the AGM.

**Item No: 6 Appointment of M/s. Chakravarthy & Associates, Practicing Company Secretary as Secretarial Auditor of the Company:**

Pursuant to the amended provisions of Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations') vide SEBI Notification dated December 12, 2024 and provisions of Section 204 of the Companies Act, 2013 ('Act') and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Audit Committee and the Board of Directors at their respective meetings held on May 30, 2025 have approved and recommended the appointment of M/s. Chakravarthy & Associates, Practicing Company Secretary (Firm Unique Code: S2020TL757200 & Peer Review Certificate No. 6621/2025) as Secretarial Auditors of the Company for a term of up to 5 (Five) consecutive years to hold office from Financial Year 2025-26 to Financial Year 2029-30.

The Audit Committee and the Board of Directors considered the following factors in recommending the appointment of M/s. Chakravarthy & Associates, as Secretarial Auditors of the Company:

- background of the firm, their experience and competence in conducting secretarial audit of the Company; and
- ability of the firm to understand the business of the Company and identify compliance of major laws and regulations applicable to the Company
- the eligibility criteria & qualification prescribed under the Act & Rules made thereunder and SEBI LODR Regulations with regard to the secretarial audit, experience of the firm, capability, independent assessment, audit experience and also based on the evaluation of the quality of audit work done by them in the past.

Accordingly, Members are requested to confirm the appointment of **M/s. Chakravarthy & Associates**, Practicing Company Secretary, as Secretarial Auditors of the Company, to conduct the Secretarial Audit for a period of 5(five) consecutive years i.e. FY 2025-26 to FY 2029-30.

The Board recommends an ordinary resolution set out at Item No.6 of the accompanying notice for approval of Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

**Item No: 7: Ratification of the remuneration Cost Accountants for the financial year 2025-26:**

Based on the recommendations of the Audit Committee, the Board of Directors in their meeting held on August 02, 2025, approved the appointment and remuneration of M/s. SRK & Co, Cost Accountants, Hyderabad as Cost Auditors for the audit of the cost records of the Company for the Financial Year ending March 31, 2024, being the first year of cost audit applicability, and reappointed M/s. SRK & Co, Cost Accountants, Hyderabad as Cost Auditors for the financial year 2025-26 also at their meeting held on August 02, 2025 at a remuneration of Rs. 1,35,000/- (Rupees One Lakh Thirty Five Thousand only) per each financial year plus applicable taxes, if any.

As per the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, any remuneration payable to the Cost Auditor has to be ratified by the Members of the Company.

The Board recommends an ordinary resolution set out at Item No.7 of the accompanying notice for approval of Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.



**Item No: 8 To approve material related party transaction to be entered with Veljan Hydrair Limited, Related Party (company):**

Section 188 of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 states that no Company shall enter into transactions with a Related Party except with the prior consent of the Board and Members of the Company, where such transactions are either not (a) in Ordinary Course of Business or (b) on arm's length basis. The proposed transactions with the related parties as mentioned in the resolution are at arm's length and in the ordinary course of business of the Company.

However, pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), all material transactions with related parties required prior approval of the members of the Company through ordinary resolution would be required for the transactions entered with related party in excess of 10% of the Annual consolidated turnover of the Company as per the last audited Financial Statements of the Company. The Audit Committee and Board of Directors of the Company have approved the following proposed Related Party Transactions with Veljan Hydrair Limited, subject to the approval of the members, which was placed before them at its respective meetings held on 30th May, 2025. Further, the said transactions qualify as Material Related Party Transactions under the SEBI Listing Regulations, 2015 and accordingly, the members' approval is sought for the same. Accordingly, all related parties of the Company, including, among others, Veljan group entities and the Directors and Key Managerial Personnel of M/s. Veljan Hydrair Limited, M/s. Veljan Investments Limited, M/s. Suxus Systems Limited and JDM Hydropneumatics Limited will not vote on this resolution.

The Board recommends an ordinary resolution set out at Item No.8 of the accompanying notice for approval of Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

**Details of the existing as well as new material related party transactions with, including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, are as follows:**

S. No.	Particulars of the Information	Information provided by the management
1.	Name of the related party	Veljan Hydrair Limited
2.	Type, Material items and particulars of the proposed transaction	Purchase and sale of goods and other transactions for purpose of the business, subject to such contract(s)/arrangement(s)/transactions being carried at arm's length and in the ordinary course of business of the Company and Veljan Hydrair Limited
3.	Shareholding or contribution % or profit & loss sharing % of the listed entity whether direct or indirect, in the related party.	The Material related party is the shareholder of the listed entity Veljan Denison Limited, by directly holding 7.55 % of equity shares and the promoters and promoters group hold more than 2% in share capital of the Veljan Hydrair Limited.
4.	Tenure of the Proposed transaction	Period starting from 51 <sup>st</sup> AGM for the F.Y 2024-25 till next AGM for the F Y 2025-26.
5.	Value of the proposed transaction	Rs.11000.00 Lakhs
6.	Value of the proposed transactions as a percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year	79.99%

7.	Value of the proposed transactions as a percentage of subsidiary's annual standalone turnover for the immediately preceding financial year (in case of a transaction involving the subsidiary, and where the listed entity is not a party to the transaction)	Not applicable
8.	Value of the proposed transactions as a percentage of the related party's annual standalone turnover for the immediately preceding financial year.	73.79%
9.	Justification as to why the RPT is in the interest of the listed entity	<p>VDL, as a part of its collaboration agreements with erstwhile shareholders had geo-restricted usage of its own trademark and tradename and in the early years, restricted sales as well. In order to access wider markets, VHL has undertaken substantial marketing efforts and leveraged its long standing reputation, name and warehouse facilities in various locations to bring VDL products into wide ranging markets.</p> <p>VHL purchases the products exclusively from VDL, and is able to provide VDL with generally higher prices than any other sales agent for its sales owing to VHL's highly reputed, trusted branding which has exceptional recall, and its wide service, warehousing and inventory network that is unmatched.</p>
10.	A copy of the valuation or other external party report, if any, shall be placed before the Audit Committee.	Not applicable
11.	Whether the transaction related to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary	Not applicable

**Item No: 9 To approve material related party transaction to be entered with M/s Suxus Systems Limited, Related Party (company):**

Section 188 of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 states that no Company shall enter into transactions with a Related Party except with the prior consent of the Board and Members of the Company, where such transactions are either not (a) in Ordinary Course of Business or (b) on arm's length basis. The proposed transactions with the related parties as mentioned in the resolution are at arm's length and in the ordinary course of business of the Company.

However, pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), all material transactions with related parties required prior approval of the members of the Company through ordinary resolution would be required for the transactions entered with related party in excess of 10% of the Annual consolidated turnover of the Company as per the last audited Financial Statements of the Company. The Audit Committee and Board of Directors of the Company have approved the following proposed Related Party Transactions with M/s Suxus Systems Limited, subject to the approval of the members, which was placed before them at its respective meetings held on 30th May, 2025. Further, the said transactions qualify as Material Related Party Transactions under the SEBI Listing Regulations, 2015 and accordingly, the members' approval is sought for the same. Accordingly, all related parties of the Company, including, among others, Veljan group entities and the Directors and Key Managerial Personnel of M/s.Veljan Hydrair Limited, M/s.Veljan Investments Limited, M/s. Suxus Systems Limited and JDM Hydropneumatics Limited will not vote on this resolution.

The Board recommends an ordinary resolution set out at Item No.9 of the accompanying notice for approval of Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

**Details of the existing as well as new material related party transactions with, including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, are as follows:**

S. No.	Particulars of the Information	Information provided by the management
1.	Name of the related party	Suxus Systems Limited
2.	Type, Material items and particulars of the proposed transaction	Purchase and sale of goods and other transactions for purpose of the business, subject to such contract(s)/arrangement(s)/transactions being carried at arm's length and in the ordinary course of business of the Company and Suxus Systems Limited
3.	Shareholding or contribution % or profit & loss sharing % of the listed entity whether direct or indirect, in the related party.	The Material related party is the shareholder of the listed entity Veljan Denison Limited, by directly holding 0.29 % of equity shares and the promoters and promoters group hold more than 2% in share capital of the Suxus Systems Limited
4.	Tenure of the Proposed transaction	Period starting from 51 <sup>st</sup> AGM for the F.Y 2024-25 till next AGM for the F Y 2025-26.
5.	Value of the proposed transaction	Rs.3500.00 Lakhs
6.	Value of the proposed transactions as a percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year	12.42%

7.	Value of the proposed transactions as a percentage of subsidiary's annual standalone turnover for the immediately preceding financial year (in case of a transaction involving the subsidiary, and where the listed entity is not a party to the transaction)	Not applicable
8.	Value of the proposed transactions as a percentage of the related party's annual standalone turnover for the immediately preceding financial year.	217%
9.	Justification as to why the RPT is in the interest of the listed entity	During the time of the collaboration with the foreign partners, certain critical components needed by VDL were sourced from the parent company's facilities in France and USA. At the time of litigation with the foreign parent, Suxus has stepped in to indigenously develop these critical components and supply to VDL when the attempts to shut down VDL by with-holding these critical components were made by the foreign promoters. These products are critical products which give us our technology and quality edge and Suxus has maintained an development which gives VDL the competitive edge that prevents others from providing a product of similar quality or performance capabilities. Highly customized solutions are provided to VDL and no other suppliers possess the required trade secrets and IP to manufacture these components to the quality standards that VDL's products are known for.
10.	A copy of the valuation or other external party report, if any, shall be placed before the Audit Committee.	Not applicable
11.	Whether the transaction related to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary	Not applicable

**Item No: 10 To approve material related party transaction to be entered with M/s ECMAT Limited, Related Party (company):**

Section 188 of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 states that no Company shall enter into transactions with a Related Party except with the prior consent of the Board and Members of the Company, where such transactions are either not (a) in Ordinary Course of Business or (b) on arm's length basis. The proposed transactions with the related parties as mentioned in the resolution are at arm's length and in the ordinary course of business of the Company.

However, pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), all material transactions with related parties required prior approval of the members of the Company through ordinary resolution would be required for the transactions entered with related party in excess of 10% of the Annual consolidated turnover of the Company as per the last audited Financial Statements of the Company. The Audit Committee and Board of Directors of the Company have approved the following proposed Related Party Transactions with M/s.ECMAT Limited, subject to the approval of the members, which was placed before them at its respective meetings held on 30th May, 2025. Further, the said transactions qualify as Material Related Party Transactions under the SEBI Listing Regulations, 2015 and accordingly, the members' approval is sought for the same. Accordingly, all related parties of the Company, including, among others, Veljan group entities and the Directors and Key Managerial Personnel of M/s.Veljan Hydrair Limited, M/s.Veljan Investments Limited, M/s. Suxus Systems Limited and JDM Hydropneumatics Limited will not vote on this resolution.

The Board recommends an ordinary resolution set out at Item No.10 of the accompanying notice for approval of Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

**Details of the existing as well as new material related party transactions with, including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, are as follows:**

S. No.	Particulars of the Information	Information provided by the management
1.	Name of the related party	ECMAT Limited
2.	Type, Material items and particulars of the proposed transaction	Purchase and sale of goods and other transactions for purpose of the business, subject to such contract(s) like Job works etc /arrangement(s)/transactions being carried at arm's length and in the ordinary course of business of the Company and ECMAT Limited
3.	Shareholding or contribution % or profit & loss sharing % of the listed entity whether direct or indirect, in the related party.	The Material related party is the shareholder of the listed entity Veljan Denison Limited, by directly holding 0.29 % of equity shares and the promoters and promoters group hold more than 2% in share capital of the Suxus Systems Limited
4.	Tenure of the Proposed transaction	Period starting from 51 <sup>st</sup> AGM for the F.Y 2024-25 till next AGM for the F Y 2025-26.
5.	Value of the proposed transaction	Rs.3500.00 Lakhs
6.	Value of the proposed transactions as a percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year	22.48%



7.	Value of the proposed transactions as a percentage of subsidiary's annual standalone turnover for the immediately preceding financial year (in case of a transaction involving the subsidiary, and where the listed entity is not a party to the transaction)	Not applicable
8.	Value of the proposed transactions as a percentage of the related party's annual standalone turnover for the immediately preceding financial year.	135%
9.	Justification as to why the RPT is in the interest of the listed entity	During the time of the collaboration with the foreign partners, certain critical components needed by VDL were sourced from the parent company's facilities in France and USA. At the time of legal troubles with the foreign parent, ECMAT has stepped in to indigenously develop some of these critical components and supply to VDL when the attempts to shut down VDL by with-holding these critical components were made by the foreign promoters. These products are the critical products which have prevented others from copying, or accessing our technology and ECMAT has maintained an exclusive relationship with VDL and exclusively sells only to VDL in order to ensure VDL maintains its competitive edge. Highly customized products are made for VDL and no other suppliers possess the required trade secrets and IP to manufacture these components to the quality standards that VDL's products are known for. ECMAT also has engaged in extensive in-house machine building to make highly complex, custom and specialized machines for these special parts to suit VDL, a skill that cannot be found anywhere else in the market.
10.	A copy of the valuation or other external party report, if any, shall be placed before the Audit Committee.	Not applicable
11.	Whether the transaction related to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary	Not applicable

**Place: Hyderabad**  
**Date: 02.08.2025**

For and on behalf of the Board of  
**Veljan Denison Limited**  
**Sd/-**  
**Sri Krishna Uppaluri**  
**Managing Director & CEO**  
**(DIN 08880274)**

**Details of Directors seeking appointment at Annual General Meeting [Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings]**

<b>Name of the Director</b>	<b>Mrs. Uma Devi Uppaluri</b>	<b>Mr. Vidya Sagar Gannamani</b>	<b>Mr. Sri Krishna Uppaluri</b>
<b>DIN</b>	00125840	10792128	08880274
<b>AGE</b>	60 years	57 years	33 years
<b>Date of first appointment</b>	30/07/2014	30.05.2025	15.09.2020
<b>Board Meetings attended during the year</b>	5(Five)	-	5 ( Five)
<b>Brief Resume, Qualification and Experience</b>	<p>Mrs. U. Uma Devi is a commerce graduate from Osmania University. She is a second generation entrepreneur, who is running a manufacturing business successfully for the last 30 years.</p>	<p>Mr. Vidya Sagar Gannamani is currently serving as Head of Transformation, Adecco Group, Switzerland.</p> <p>Prior to this role Mr. Vidya Sagar Gannamani was the CMD for Adecco India and was responsible for a successful turnaround in revenue growth, quality and compliance. He has also served in engineering, sales, and senior leadership roles as VP and later Chief Human Resources Officer at Philips.</p> <p>He has over 30 years of diverse international experience and specialises in driving cultural, organisational and business transformations across verticals and has lead large, cross functional, global teams in his various assignments.</p>	<p>Mr. Sri Krishna Uppaluri has experience across fields of management, data analytics and hydraulics engineering. He also has 10+ years of experience across academia and industry in research and development activities in the fields of both Computational and Experimental Fluid Dynamics. He has a Bachelor's degree in Mechanical Engineering from Johns Hopkins University - Baltimore, USA and also a Master's degree in Mechanical Engineering from University of California at Berkeley - Berkeley, USA</p>
<b>Expertise in specific functional area</b>	Hydraulic Industry, Operations, Corporate management & Finance	Operations, Corporate management, Finance and Resources Management	Hydraulics Industry, Technology, Sales, Operations, Corporate management & Finance
<b>Terms and conditions of appointment</b>	Non-Executive Director, eligible to re-appointment by rotation.	Non-Executive Independent Director of the Company for a 1st term of five consecutive years commencing from May 30,2025 and not liable to retire by rotation.	

<b>Remuneration drawn, if any</b>	Nil except the Sitting Fees and Commissions, if any.	NA	As per the terms in Explanatory statement No.7
<b>Relationships between Directors interse</b>	Related to Mr.V G Srinivas and Mr.Sri Krishna Uppaluri.	Except Mr. Vidya Sagar Gannamani, Independent Director being his relative, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise	Related to Mrs. Uma Devi Uppaluri.
<b>Name of the Listed entities in which the person also holds the directorship and the membership of the committees of the Board along with the Listed entities from which the person has resigned in the past three years*</b>	NIL	NIL	NIL
<b>Other Directorships, Membership / Chairmanship of Committees of other Boards</b>	NIL	NIL	NIL
<b>Number of shares held in the Company</b>	221668	NIL	253752 Equity shares as on 02.08.2025
<b>Directorships held in other companies (excluding Foreign Companies)</b>	1. M/s ECMAT Limited 2. JDM Hydro Pneumatics Limited 3. Suxus Systems Limited 4. Veljan Investments Limited 5. Veljan Shlcast Limited	NIL	1. M/s Suxus Systems Limited 2. M/s Veljan Investments Limited.

For and on behalf of the Board of  
**Veljan Denison Limited**  
**Sd/-**  
**Sri Krishna Uppaluri**  
**Managing Director & CEO**  
**(DIN 08880274)**

**Place: Hyderabad**  
**Date: 02.08.2025**

**Details of the new Appointee Director is as follows:**

Name of the Director	Mr. Vidya Sagar Gannamani
DIN	10792128
Age	57 years
Date of Appointment	From the date of approval by the members of the Company in the ensuing AGM to be held on 29.08.2025.
Qualification	He is a qualified mechanical engineer
Experience, Skills and capabilities required for the role	<p>Mr. Vidya Sagar Gannamani is currently serving as Head of Transformation, Adecco Group, Switzerland.</p> <p>Prior to this role Mr. Vidya Sagar Gannamani was the CMD for Adecco India and was responsible for a successful turnaround in revenue growth, quality and compliance. He has also served in engineering, sales, and senior leadership roles as VP and later Chief Human Resources Officer at Philips.</p> <p>He has over 30 years of diverse international experience and specialises in driving cultural, organisational and business transformations across verticals and has lead large, cross functional, global teams in his various assignments.</p>
Shareholding in the company	Nil
Relationship with other Directors/Manager and other Key Managerial Personnel of the company	Mr. Vidya Sagar Gannamani is not related to any of the Directors / Manager and other Key Managerial Personnel of the Company.
Number of Meetings of the Board attended (FY 2023-24)	Not Applicable
Names of listed entities in which the person also holds the Directorships.	Nil
Names of listed entities in which the person also holds Membership of Committees of Board	Nil
Directorship of other companies	Nil
Listed Companies from which the person has resigned from the directorship in the past three years	Nil
Terms and Conditions of Appointment	Non-Executive Independent Director of the Company for a 1 <sup>st</sup> term of five consecutive years commencing from August 29, 2025 and not liable to retire by rotation.
Details of last drawn Remuneration (FY 2024-25)	Not Applicable
Remuneration proposed to be paid	He is entitled to receive sitting fee for attending meeting of the Board and committees thereof and profit related commission.

## BOARD'S REPORT

To  
The Members of  
**VELJAN DENISON LIMITED**

Your Directors take pleasure in presenting the 51<sup>st</sup> Annual Report on the affairs of the Company along with the Audited Financial Statements (both Standalone & Consolidated) for year ended March 31, 2025.

### 1. FINANCIAL RESULTS:

(Figures in Rs Lakhs)

Particulars	Standalone		Consolidated	
	Year ended 31-03-2025	Year ended 31-03-2024	Year ended 31-03-2025	Year ended 31-03-2024
<b>Income :</b>				
Revenue from Operations	<b>14158.01</b>	12425.46	<b>15569.95</b>	13769.28
Other Income	<b>277.56</b>	271.73	<b>288.81</b>	282.27
<b>Total Revenue</b>	<b>14435.58</b>	12697.19	<b>15858.76</b>	14051.55
<b>Expenditure:</b>				
Cost of Materials Consumed	<b>5766.65</b>	5009.33	<b>5993.97</b>	5,210.01
Changes in inventories of Finished goods, Work-in-Progress and Stock-in-Trade	<b>(599.06)</b>	(573.31)	<b>(599.06)</b>	(573.31)
Employee Benefit Expenses	<b>1335.94</b>	1219.71	<b>1863.84</b>	1,702.75
Finance Costs	<b>43.85</b>	101.53	<b>63.82</b>	102.78
Depreciation & Amortization Expenses	<b>503.31</b>	475.45	<b>603.93</b>	559.13
Other Expenses	<b>4310.78</b>	3733.52	<b>4627.49</b>	4092.58
<b>Total Expenses</b>	<b>11361.47</b>	9966.22	<b>12553.99</b>	11093.94
<b>Profit before Tax</b>	<b>3074.10</b>	2730.97	<b>3304.76</b>	2957.61
<b>Tax Expenses</b>				
(1) i. Current Tax	<b>737.69</b>	657.66	<b>812.71</b>	702.99
ii. Previous Period	<b>6.96</b>	16.17	<b>6.96</b>	16.17
(2) Deferred Tax	<b>81.94</b>	20.61	<b>113.16</b>	31.01
<b>Profit for the year (1)</b>	<b>2247.51</b>	2036.53	<b>2371.93</b>	2207.44
<b>Earning per Equity Share of the face value of Rs. 10/- each Basic and Diluted (in Rs.)</b>	<b>49.94</b>	45.26	<b>52.71</b>	49.05
<b>Total Comprehensive Income/loss (2)</b>	<b>43.63</b>	-	<b>43.63</b>	-
<b>Total (1+2)</b>	<b>2291.14</b>	2036.53	<b>2415.56</b>	2207.44
<b>Balance of profit /loss for earlier years</b>	<b>877.50</b>	436.18	<b>900.11</b>	580.38
<b>Less: Transfer to Bonus Shares Reserve</b>	<b>225.00</b>	-	<b>225.00</b>	-
<b>Less: Transfer to Reserves</b>	<b>1798.26</b>	1302.71	<b>1798.26</b>	1595.21
<b>Less: Dividend paid on Equity Shares</b>	<b>382.50</b>	292.50	<b>382.50</b>	292.50
<b>Less: Dividend paid on Preference Shares</b>	-	-	-	-
<b>Less: Dividend Distribution Tax</b>	-	-	-	-
<b>Balance carried forward</b>	<b>762.88</b>	877.50	<b>909.91</b>	900.11



**2. COMPANY'S PERFORMANCE:**

During the year under review the sales were higher at Rs. 14158.01 Lakhs as against Rs. 12425.46 Lakhs in the previous year. The Profit before tax stood at Rs. 3074.10 Lakhs as against Rs. 2730.97 Lakhs for the previous year. The Net Profit stood at Rs. 2247.51 Lakhs as against Rs. 2036.53 Lakhs for the previous year.

During the year under review, the Company registered consolidated sales of Rs. 15569.95 Lakhs as against Rs. 13769.28 Lakhs in the previous year and the consolidated net profit stood Rs. 2371.94 lakhs as against Rs. 2207.44 Lakhs for the previous year.

**3. FUTURE OUTLOOK:**

The global hydraulic market was valued at USD 39.40 billion in 2025 and is anticipated to grow at a CAGR of 2.4% by 2030. The global hydraulic market is expected to reach USD 44.26 billion by 2030. The major factors for the growth of the industry are the demand for material handling equipment, cutting-edge agricultural equipment and growing adoption of hydraulic equipment by various industries. The demand for hydraulic and pneumatic cylinders is also increasing in number of manufacturing and other sectors, which is expected to propel the cylinder market.

The long term outlook of the hydraulic industry continues to be promising and challenging. By increasing the manufacturing base, your Company expects to better the revenues with improved margins in the coming years.

**4. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:**

There were no material changes/ commitments affecting the financial position or operations of the Company between March 31, 2025 and the date of Board's Report.

**5. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:**

Management Discussions and Analysis Report, as required under Regulation 34 of SEBI (Listing Obligation Disclosure Requirements) Regulations, 2015 is annexed and forms part of this report.

**6. DIVIDEND:**

Your Directors are pleased to recommend the payment of Dividend of Rs 8.50/- per equity share of Rs. 10/- each on the paid-up capital of Rs. 4.50 Crores for the year ended March 31, 2025. The Dividend, if approved by the shareholders of the Company in the ensuing Annual General Meeting will be paid out of the profits of the Company to all Shareholders of the Company whose names appear on the Register of Members as on the specified record date.

*Note: Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. 01st April, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. The shareholders are requested to update their PAN with the Company/ RTA or depositories. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.*

**7. RESERVES:**

The Company has transferred Rs. 1798.26 Lakhs to General Reserves of the Company.

**8. DEPOSITS:**

Your Company has not accepted any deposits from the public during the year under review and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

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

The information required under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Account) Rules, 2014 with respect to conservation of energy, technology absorption and foreign exchange earnings/ outgo is annexed to this Report.

**10. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS AND COMMITTEES:**

The Board of Directors met 5 times during the financial year ended March 31, 2025 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder. The Directors actively participated in the meetings and contributed valuable inputs on the matters brought before the Board of Directors from time to time.

The Independent Directors held a separate meeting in compliance with the requirements of Schedule IV of the Companies Act, 2013 and Regulation 25(3) of the Listing Regulations. For further details of the meetings of the Board, please refer to the Corporate Governance Report, which forms part of this Annual Report.

**11. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

None of the directors of the company is disqualified under the provisions of the Companies Act 2013 or under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

As per the provisions of Section 152 of the Companies Act, 2013 read with Articles of Association of the Company, Mrs. Uma Devi Uppaluri (DIN 00125850), Non-Executive and Non- Independent Director, retire by rotation and being eligible offer, herself for re-appointment at this Annual General Meeting. The Board recommends her re-appointment at the ensuing AGM.

**KEY MANAGERIAL PERSONNEL:**

As on the date this report, the following are the Key Managerial Personnel of the Company:

- |                          |  |
|--------------------------|--|
| 1. Mr. U. Sri Krishna    | Managing Director & CEO                  |
| 2. Mr. G. Subba Rao      | Chief Financial Officer                  |
| 3. Mrs. K Ramyanka Yadav | Company Secretary and Compliance Officer |

**12. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the companies Act, 2013 and Regulation 16 of the SEBI (LODR) Regulations, 2015.

**13. ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE:**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation Disclosure Requirements) Regulations, 2015 the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit and other Committees.

**14. COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION:**

The Board has on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub section (3) of section 178 relating to the remuneration for the Directors, Key Managerial Personnel, and other employees.

**15. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems, accounting procedures and policies.

**Internal Auditors:**

The Board of Directors of the Company had appointed M/s. M.V. Narayana Reddy & Co., Chartered Accountants as Internal Auditors of the Company for the Financial Year 2025-26 and to maintain its objectivity and Independence, the Internal Auditor submitted their reports to the Chairman of the Audit Committee of the Board.

**16. AUDITORS:**

Members at 48<sup>th</sup> Annual General Meeting had appointed M/s. Brahmayya & Co., Chartered Accountants, Hyderabad (Firm Reg. No. 000513S) as the Statutory Auditors of the Company for a period of 5 years, to hold office from the conclusion of 48<sup>th</sup> Annual General Meeting (AGM) till the conclusion of 52<sup>nd</sup> Annual General Meeting to be held in the calendar year 2027.

During the year under review, the Statutory Auditors of the Company have not reported any fraud as required under Section 143(12) of the Companies Act, 2013.

The Auditor's Report for the financial year 2024-25 does not contain any qualification, reservation or adverse remarks.

**17. SECRETARIAL AUDITORS & THEIR REPORT:**

In terms of section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, based upon the recommendations of the Audit Committee, the Board of Directors had appointed M/s. Chakravarthy & Associates, Practicing Company Secretary (CP No. 22563) as the Secretarial Auditor of the Company, for conducting the Secretarial Audit for financial year ended March 31, 2025.

The Secretarial Audit was carried out by M/s. Chakravarthy & Associates, Practicing Company Secretary (CP No. 22563) for the financial year ended March 31, 2025. The Report given by the Secretarial Auditor is annexed and forms integral part of this Report.

The following are the observations/remarks reported by the Secretarial Auditor during the year under review:

- The listed entity failed to file the listing application within 20 days from the date of allotment of bonus shares, as required.
- The listed entity failed to apply for trading approval within 7 working days from the receipt of listing approval from the stock exchange.
- The listed entity did not Complete the bonus issue within 2 months form the Board meeting approval.

The Management acknowledged the above responded that these were event based non-compliances and regarding the same the penalties imposed by the Stock exchange were paid in time and due care in such matters will be exercised in future.

**18. ANNUAL SECRETARIAL COMPLIANCE REPORT:**

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial compliance audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued thereunder. Further, Secretarial Compliance Report dated May 28, 2025, was given by M/s. Chakravarthy & Associates, Practicing Company Secretary (CP No. 22563) which was submitted to Stock Exchanges within 60 days of the end of the financial year.

**19. TRANSFER OF UNPAID/ UNCLAIMED AMOUNTS TO IEPF:**

Pursuant to the provisions of Sections 124 and 125 of the Act read with the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016, dividend / interest / refund of applications which remains unclaimed / unpaid for a period of 7 years is required to be transferred to IEPF. Further, the IEPF Rules mandate the companies to transfer all shares on which dividend remains unclaimed / unpaid for a period of 7 consecutive years to the demat account of the IEPF Authority. Hence, the Company urges all the shareholders to encash/claim their respective dividend during the prescribed period.

During the financial year 2024-25, the dividend for the year 2016-17 remaining unpaid and unclaimed for 7 years was transferred by the Company to IEPF.

The Members / claimants whose shares or unclaimed dividends get transferred to IEPF may claim the shares or apply for refund from the IEPF Authority by following the refund procedure as detailed on the website of IEPF Authority at <http://www.iepf.gov.in/IEPF/refund.html>.

Details of the Nodal Officer: Mrs. Ramyanka Yadav K , Company Secretary & Compliance Officer is appointed as Nodal Officer for the purpose of IEPF.

**20. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

Particulars of loans, guarantees and investments have been disclosed in the financial statements.

The Company had not given any loans, guarantees or made investments as per the provisions of Section 186 of the Companies Act, 2013 during the financial year under review and also there are no outstanding amounts of loans given, guarantees provided and / or investments made at the beginning of the year.

**21. DETAILS OF SUBSIDIARY, ASSOCIATE AND JOINT VENTURE OF THE COMPANY:**

The Company has a wholly owned subsidiary M/s Adan holdings Limited, United Kingdom which is the holding company of M/s Adan Limited.

The Company does not have any associate or joint venture during the year under review. Further no subsidiaries have been ceased to be a subsidiaries during the period under review.

During the period under review, the Company has not infused any capital in subsidiary company.

The details and performance of the subsidiary are given in Form AOC -1 which is been annexed separately and forms part of this report.

**22. TRANSACTIONS WITH RELATED PARTIES:**

All related party transactions done by the company during the financial year were at arm's length and in the ordinary course of business. All related party transactions were placed in the meetings of Audit committee and the Board of directors for their necessary review and approval. Details of all such transactions as required under section 188 of the Companies Act are annexed in Form AOC-2 forming part of the Board's Report.

Disclosures pursuant to Accounting Standards on related party transaction have been made in the notes to the Financial Statements.

The Company has formulated a policy on materiality of Related Party Transactions and dealing with Related Party Transactions which can be accessed at the Company's website <http://veljan.in/investors.html>.

**23. CORPORATE SOCIAL RESPONSIBILITY:**

As part of its initiatives under "Corporate Social Responsibility (CSR)", the Company has made contributions to various activities as approved by the Committee and is in accordance with Schedule VII of the Companies Act, 2013 read with the relevant rules.

The contents of the CSR activities undertaken by the Company have been annexed separately and forms part of this report.

**24. EXTRACT OF ANNUAL RETURN:**

As required by Section 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of the Annual Return in Form MGT-9 is available on the Company's website at <https://www.veljan.in/other-documents> and forms part of this report.

**25. PARTICULARS OF EMPLOYEES:**

There are no employees in the company in receipt of amounts covered in rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The disclosure pertaining to remuneration and other details of top 10 employees of the Company are made available for inspection at the Registered office of the Company with the Company Secretary and Compliance Officer during working hours and any Member interested in obtaining such information may write to the Company Secretary and Compliance Officer and the same shall be provided without any fee.

**26. MANAGERIAL REMUNERATION:**

Details of the ratio of the remuneration of each of the director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of managerial Personnel) Rules, 2014 has been annexed separately and forms part of this report.

**27. CORPORATE GOVERNANCE CERTIFICATE:**

The Compliance certificate from the Secretarial Auditors regarding compliance of conditions of Corporate Governance as stipulated in SEBI (Listing Obligation Disclosure Requirements) Regulations, 2015 is provided elsewhere and forms part of this report.

**28. LISTING:**

The Equity Shares of your Company are continued to be listed on BSE Limited. There are no payments outstanding to the Stock Exchange and the company has paid the listing fee for the financial year 2025-26.

**29. DIRECTORS' RESPONSIBILITY STATEMENT:**

In terms of Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that (based on the representations received from the Management):

- 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) they 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 as at 31.03.2025 and of the Profit of the Company for that period;
- iii) they 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) they have prepared the Annual Accounts on a going concern basis;
- v) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- vi) they have devised proper systems to ensure Compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**30. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has put in place a Prevention, Prohibition and Redressal of Sexual Harassment at Workplace in accordance with the requirement of the 'Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees of the Company are covered under the aforementioned Policy.

During the year under review, the company has not received any complaints pertaining to sexual harassment

**31. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS:**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

**32. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:**

Your Company has an effective Vigil Mechanism system which is embedded in its Code of Conduct. The Code of Conduct applies to all the employees, including Directors of the Company.



The Code of Conduct is available on the Company website to report any genuine concerns about unethical behavior, any actual or suspected fraud or violation of Company's Code of Conduct.

**33. REPORT ON CORPORATE GOVERNANCE:**

In accordance with the Regulation 16 of the SEBI (LODR) Regulations, 2015, the Company has complied with all mandatory recommendations. A Report on corporate Governance is provided elsewhere and forms part of this report.

**34. INDUSTRIAL RELATIONS AND HUMAN RESOURCES:**

Your company believes that its employees are one of the most valuable assets of the Company and the Board appreciates the employees across the cadres for their dedicated service to the company. The total employee strength is over 288 as on March 31, 2025.

**35. SHARE CAPITAL:**

There is a change in the Authorized Share Capital by Increase to 6 crores from Rs. 3 Crores and Paid up Share Capital increased to Rs.4.50 crores from Rs.2.25 Crores of the Company during the year under review in lieu of the Bonus issue dated 06.05.2024

The Company has not issued any shares with differential rights and hence no information as per the provisions of Section 43(a) (ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

**36. INSURANCE:**

All properties and insurable interests of the Company including building, plant and machinery and stocks have been fully insured.

**37. CHANGE IN THE NATURE OF BUSINESS:**

There was no change in the nature of business of the Company.

**38. DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR:****Appointments:**

1. Mr. Manish Mohan Motwani was appointed as an Independent Director of the Company w.e.f. 08.02.2024 and was regularized in the Extra-Ordinary General Meeting held on 06.05.2024.
2. Mr. V.G. Srinivas was appointed as a Non-Executive Director of the Company w.e.f. 30.03.2024 and was regularized in the Extra-Ordinary General Meeting held on 06.05.2024.
3. Mrs. K Ramyanka Yadav (A45483) was appointed as Company Secretary & Compliance Officer w.e.f 13.02.2025.

**Cessation:**

1. Mr. V C Janaradan Rao, Chairman & Managing Director and Mr. B S Srinivasan, Independent Director had resigned from their respective positions on the Board and Committees as well w.e.f 30.09.2024 and 29.09.2024 respectively due to the completion of their respective terms tenure.
2. Mr. Narahari Bellamkonda (A16987) has resigned as Company Secretary & Compliance Officer w.e.f 23.12.2024.

**39. RISK MANAGEMENT:**

The Board of Directors has formed a risk management policy to identify, evaluate, mitigate and monitor the risk associated with the business carried by the company. The Board reviews the risk management plan and ensures its effectiveness. A mechanism has been put in place which will be reviewed on regular intervals.

**40. COMMITTEES OF THE BOARD:**

The Board has Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee. The composition and other details of these committees have been given in the Report on the Corporate Governance forming part of the Annual Report.

**41. COST AUDIT:**

Pursuant to provisions of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 cost audit is applicable for the financial year 2023-24 for the Company and the Board has appointed M/s SRK & Co, Cost Auditors, Hyderabad as Cost Auditor of the Company for the Financial Year 2025-26.

**42. COMPLIANCE OF SECRETARIAL STANDARDS:**

The Company has duly complied with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India, for the Board and General Meetings.

**43. CORPORATE POLICIES OF THE COMPANY:**

The policies are reviewed periodically by the Board and updated as needed. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, mandate the formulation of certain policies for all listed companies. The corporate governance policies like Familiarization Programme for Independent Directors, Policy for Determination of Materiality of an Event or Information, Policy on Preservation of Documents and Policy on Related Party Transactions etc. for are available on the Company's website, at [http://veljan.in/investors\\_policy.html](http://veljan.in/investors_policy.html).

**44. CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING:**

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, the Company has formulated a Code of Conduct for Prevention of Insider Trading ("Insider Trading Code") and a Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information ("UPSI").

The Code of Practices and Procedures for fair disclosure of UPSI is available on the website of the Company at <http://veljan.in/investors.html>.

**45. 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 for continued support and assistance.

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:** 02.08.2025

**V G Srinivas**  
**Director**  
**(DIN 00181826)**

**Sri Krishna Uppaluri**  
**Managing Director & CEO**  
**(DIN 08880274)**

## CORPORATE GOVERNANCE REPORT

**Report Pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, compliance with the requirements of Corporate Governance is set out below:**

### 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 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 is in compliance with Securities Exchange Board of India (Listing Obligation Disclosure Requirements) Regulations, 2015.

The information required to be attached to the Boards' Report for the year ended on 31<sup>st</sup> March, 2025 is as under:

### 2) BOARD OF DIRECTORS & COMPOSITION:

The Board of Directors 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 SEBI (LODR) Regulations, 2015. Following was the composition of the Board during the year under review:

S.No	Name of the Director	Designation	Category
1.	Mr. V C Janardan Rao (till 30.09.2024)	Chairman & Managing Director	Promoter & Managing Director
2.	Mr. V.G Srinivas	Director	Promoter & Non – Executive Director
3.	Mr. U. Sri Krishna	Executive Director & CEO	Promoter & Director
4.	Mrs. U. Uma Devi	Director	Promoter & Non – Executive Director
5.	Mr. B S Srinivasan (till 29.09.2024)	Independent Director	Non – Executive Director
6.	Dr. A. Suresh	Independent Director	Non – Executive Director
7.	Mr. Manish Mohan Motwani	Independent Director	Non – Executive Director
8.	Mr. G. Narayan Rao	Independent Director	Non – Executive Director
9.	Mr. Vidya Sagar Gannamani (w.e.f 30.05.2025)	Independent Director	Non – Executive Director

All Independent Directors possess the requisite qualifications and are experienced in their respective fields. The Board also confirms that the Independent Directors fulfill the criteria specified in the regulations and are independent of the management. The Independent Directors are appointed for a period of five years. The Executive Directors and the other Non-Independent Directors are subject to retire by rotation.

All the necessary disclosures have been obtained from all the directors regarding their directorship and have also been taken on record by the Board. 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 and Compliance Officer on the advice and guidance of the Managing Director & CEO. The agenda and notes thereon are finalized by the Managing Director & CEO and circulated sufficiently in advance by the Company Secretary and Compliance Officer.

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 Board duly met 5 (Five) times during the period from 01.04.2024 to 31.03.2025 on 23.05.2024, 14.08.2024, 06.09.2024, 14.11.2024 and 13.02.2025 and the attendance of the Directors are as follows:

**ATTENDANCE OF DIRECTORS IN THE BOARD AND LAST 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 Other Director Ship	No. of Board Committees of which Member / Chairman
1.	Mr. V. C Janardan Rao (till 30.09.2024)	1	Chairman and Managing Director	Promoter	Yes	7	1
2.	Mr. B. S. Srinivasan (till 29.09.2024)	2	Director	Independent and Non Executive Director	Yes	2	4
3.	Mr. G. Narayan Rao	4	Director		No	3	3
4.	Dr. A. Suresh	5	Director		Yes	0	2
5.	Mr. Manish Mohan Motwani	2	Director		N/A	8	2
6.	Mrs. U. Umadevi	5	Director	Promoter and Non Executive Director	No	7	2
7.	Mr. V. G. Srinivas	5	Director		N/A	1	1
8.	Mr. U. Sri Krishna	5	Executive Director & CEO	Promoter and Executive Director	N/A	1	2

**Notes:**

1. This excludes Directorships held in Foreign Companies and Companies incorporated under section-8 of the Companies Act, 2013.
2. In accordance with Reg.26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Memberships/ Chairmanships of Committees include Audit Committee and Stakeholders' Relationship Committee of Public Company has been considered.
3. None of the Directors is a director in more than 20 Companies and more than 10 public limited companies in terms of Sec-165 of the Companies Act, 2013.
4. None of the Directors is a Director in more than seven listed entities in terms of Regulation 17A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
5. None of the Directors is a member of neither more than Ten Committees, nor acts as Chairman of more than Five Committees across all companies in which they are Directors, as required Regulation 26 of the Listing Regulations.
6. The Independent Directors fulfill the requirements stipulated in Regulation 25 (1) of the Listing Regulations.
7. Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all the Independent Directors have completed the registration with the Independent Directors Databank. Requisite disclosures have been received from the directors in this regard.
8. Name of other listed entities where Directors of the company are Directors and the category of Directorship as on 31.03.2025:

SI No	Name of The Director	Name of other Listed Companies	Category of Directorship
1	Mr. Manish Mohan Motwani DIN 00394860	Z.F.Steering Gear (India) Ltd	Independent Director

**Number of shares and convertible instruments held by non- executive directors as on 31.03.2025:**

Sl. No.	Name of the Non-Executive Director	No. of Shares or convertible instruments held
1	Mr. V.G. Srinivas	4,06,858 shares of Rs. 10/- each
2	Mrs. U. Uma Devi	2,21,668 shares of Rs. 10/- each
3	Mr. Manish Mohan Motwani	0
4	Dr. A. Suresh	0
5	Mr. G. Narayan Rao	0

**Familiarization Program to Independent Directors:**

The Independent Directors have been updated with their roles, rights and responsibilities in the Company by specifying them in their appointment letter along with necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices. The Company has through presentations at regular intervals, familiarized and updated the Independent Directors with the strategy, operations and functions of the Company and Engineering Industry as a whole. Site visits to plant location are organized for the Directors to enable them to understand the operations of the Company. The details of such familiarization programs for Independent Directors are posted on the website of the Company and can be accessed at [http://www.veljan.in/investors\\_policy.html](http://www.veljan.in/investors_policy.html).

**Skills / Expertise / Competencies of the Board of Directors**

The Company has mix of Directors on the Board who possess the requisite qualifications, experience and expertise across multiple domains which facilitates quality decision making and enables them to contribute effectively to the Company in their capacity as Directors of the Company, more specifically in the areas of:

- a. Knowledge of Company - understand the Company's business, policies, and culture (including its mission, vision, values, goals, current strategic plan, governance structure, major risks and threats and potential opportunities)
- b. Industry Knowledge and experience - knowledge of industry, sector and changes in industry specific policy and
- c. Professional Skills and experience in the areas of finance, Safety & Corporate Social Responsibility and allied fields, projects, general corporate management and strategy development and implementation to assist the ongoing aspects of the business.

Sl No	Name of the Director	Skills / Expertise / Competencies
1.	Mr. V. C Janardan Rao (till 30.09.2024)	Knowledge of Company, Industry Knowledge and experience, Financial Expertise & Corporate management
2.	Mr. B. S. Srinivasan (till 29.09.2024)	Knowledge of Company, Industry Knowledge and experience & Financial Expertise
3.	Mr. G. Narayan Rao	Knowledge of Company, Industry Knowledge and experience, & Corporate management
4.	Dr. A. Suresh	Knowledge of Company, Industry Knowledge and experience & R & D Expertise
5.	Mrs. U. Uma Devi	Knowledge of Company, Industry Knowledge and experience, Corporate management & Financial Expertise
6.	Mr. Manish Mohan Motwani	Knowledge of Company, Industry Knowledge and experience, Corporate management & Financial Expertise
7.	Mr. V.G. Srinivas	Knowledge of Company, Industry Knowledge and experience and Corporate management
8.	Mr. U. Sri Krishna	Knowledge of Company, Industry Knowledge and experience, Corporate management & Financial Expertise

In the opinion of the Board, all the Independent Directors fulfill the conditions specified in these regulations and are independent of the management.

#### **Inter relationship between Directors:**

Mr. V.C. Janardan Rao, Mr. V.G. Srinivas, Mrs. U. Uma Devi and Mr. U. Sri Krishna, are relatives of each other in terms of Section 2(77) of the Companies Act, 2013 and none of the other Directors have any relationship with each other.

#### **Whistle blower policy:**

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 website. 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, 2025. A declaration to this effect, duly signed by the Managing Director & CEO is given hereto.



### 3. AUDIT COMMITTEE:

The Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include:

- 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 of the company, 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) Scrutiny of inter-corporate loans and investments
  - ix) Valuation of undertakings or assets of the company, wherever it is necessary
  - x) 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.

#### Composition:

The Audit Committee comprises of following Directors as on 31.03.2025:

Sl. No.	Name of Director	Designation	Category
1.	Mr. B.S. Srinivasan*	Chairman	Independent and Non- Executive director
2.	Mr. Manish Mohan Motwani^	Chairman	Independent and Non- Executive director
3.	Mr. G. Narayan Rao	Member	Independent and Non- Executive director
4.	Dr. A. Suresh	Member	Independent and Non- Executive director
5.	Mr. U. Sri Krishna	Member	Promoter and Executive director

Note: \*Mr. B.S. Srinivasan ceased to be Chairman and Member of the committee on 29.09.2024.

^Mr. Manish Mohan Motwani was appointed as Chairman & Member since 11.11.2024

The Audit committee duly met 4 (Four) times during the financial year 2024-25 on 23.05.2024, 14.08.2024, 11.11.2024 and 13.02.2025.

Sl. No.	Name of Director	No. of Meetings Held	No. of Meetings Attended
1.	Mr. B.S. Srinivasan*	4	2
2.	Mr. Manish Mohan Motwani^	4	0
3.	Mr. G. Narayan Rao	4	4
4.	Mr. U. Sri Krishna	4	4
5.	Dr. A. Suresh	4	4

**Note:**

- a) Mr. B S Srinivasan has been on the board and committee till 29.09.2024  
 b) Mr. Manish Mohan Motwani is appointed as member and Chairman w.e.f 11.11.2024.

All the members of the Committee are financially literate with knowledge in finance and accounts.

The Business Heads, Head of Finance and Internal Auditors attend the meetings of the Committee, as and when required.

The Statutory Auditors remain present during discussion and review of quarterly results and annual accounts, as invitees in the meetings of the Committee.

The Company Secretary acts as the Secretary to the Committee.

Mr. B.S. Srinivasan, Chairman of the Committee was present at last Annual General Meeting to answer Shareholders queries.

**4. NOMINATION AND REMUNERATION COMMITTEE:**

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

**a) The role of Nomination and Remuneration Committee is –**

- (i) Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- (ii) Formulation of criteria for evaluation of Independent Directors and the Board;
- (iii) Devising a policy on Board diversity;
- (iv) Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

**b) Remuneration policy:**

Remuneration to Whole-time Directors and Company's employees is decided after considering the following factors:

- i) Restrictions specified in various Act like Companies Act, Income Tax, Etc.
- ii) Market trend for remuneration paid for similar positions.
- iii) Performance of the person in the Company.
- iv) Profits of the Company.

Criteria of making payments to non-executive directors is available on the Company's website.

**Composition of Nomination and Remuneration Committee as on 31.03.2025:**

Sl. No.	Name of Director	Designation	Category
1.	Mr. B.S. Srinivasan*	Chairman	Independent and Non- Executive Director
2.	Mr. G. Narayan Rao	Member	Independent and Non- Executive Director
3.	Mrs. U. Uma Devi	Member	Promoter and Non- Executive Director
4.	Mr. Manish Mohan Motwani^	Chairman	Independent and Non- Executive Director

Note: \* Mr. B.S. Srinivasan was appointed as Chairman of the committee till 29.09.2024

^ Mr. Manish Mohan Motwani is appointed as Member (Chairman) w.e.f 14.08.2024

The Nomination and Remuneration Committee duly met 2 (two) times during the financial year 2024-25 on 14.08.2024 and 13.02.2025.

**Attendance of Nomination and Remuneration Committee Members at their Meetings:**

Sl. No.	Name of Director	No. of Meetings Held	No. of Meetings Attended
1.	Mr. B.S. Srinivasan	2	1
2.	Mr. G. Narayan Rao	2	1
3.	Mrs. U. Uma Devi	2	2
4.	Mr. Manish Mohan Motwani^	2	0

Note: \* Mr. B.S. Srinivasan was appointed as chairman of the committee till 29.09.2024

^ Mr. Manish Mohan Motwani is appointed as Member & Chairman w.e.f 14.08.2024

The details of remuneration and sitting fees paid or provided to each of the Directors during the year 2024-25 are as follows:

(Figures in Rs)

Name of the Director	Designation	Salary & Perks	Commission	Sitting Fees	Total
Mr. V C Janardan Rao	Chairman & Managing Director	-	-	-	-
Mr. B.S.Srinivasan	Independent Director	-	307294	110000	417294
Mr. G. Narayan Rao	Independent Director	-	614587	170000	784587
Dr. A. Suresh	Independent Director	-	614587	235000	849587
Mr. Manish Mohan Motwani	Independent Director	-	614587	85000	699587
Mrs. U.Uma Devi	Director	-	614587	145000	759587
Mr. V. G. Srinivas	Director	-	614587	135000	749587
Mr. U. Sri Krishna	Executive Director	4399777	8450596	-	12850373

**PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:**

The Criteria for performance evaluation was formulated after receiving inputs from the Directors covering various aspects of the Boards' functioning such as adequacy of the Composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligation and governance. The performance of Independent directors was evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company etc.

**BOARD LEVEL PERFORMANCE EVALUATION:**

Pursuant to The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Annual performance evaluation of the Directors including Chairperson, Board and its Committees viz., the Audit Committee, Nomination and Remuneration Committee, and Stakeholders Relationship Committee has been carried out.

The Performance evaluation of Independent Directors was carried out by the entire board of directors without participation of the directors who are subject to the evaluation.

**INDEPENDENT DIRECTORS' MEETING:**

The Independent Directors meet at least once in a year, without the attendance of Executive Directors.

During the year under review, the Independent Directors met once on 18.03.2025 and among other things evaluated the performance of Non-Independent Directors and the Board of Directors as a whole review the performance of the Chairperson of the Company and evaluated of the quality, and content of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

**5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

The Company adopted CSR Policy which indicates the activities to be undertaken by the Company as specified in Schedule VII to the Act. The policy is provided on the Company's website [www.veljan.in](http://www.veljan.in)

The Composition of Corporate Social Responsibility (CSR) Committee is given below:

Sl. No.	Name of Director	Designation	Category
1.	Mr. G Narayan Rao#	Chairman	Non-Executive - Independent Director
2.	Mrs. Uma Devi U	Member	Non-Executive Director
3.	Mr. V.G Srinivas	Member	Non-Executive Director
4.	Mr. V C Janardan Rao^	Member	Chairman & Managing Director
5.	Mr. B.S. Srinivasan*	Member	Non-Executive- Independent Director

Note: ^Mr. V C Janardan Rao was a Member and Chairman till 30.09.2024

\* Mr. B.S. Srinivasan was a member of the committee till 29.09.2024

# Mr.G.Narayan Rao was appointed as Chairman w.e.f 30.09.2024

The Committee duly met once during the financial year on 24.03.2025 and all the members attended the meeting.

The contents of the CSR activities undertaken by the Company have been annexed separately and forms part of this report.

**6. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The members of the Committee are:

Sl. No.	Name of Director	Designation	Category
1.	Mr. B.S. Srinivasan*	Chairman	Independent and Non-Executive Director
2.	Mr. V.C. Janardan Rao	Member	Executive Director
3.	Mr. U. Sri Krishna	Member	Executive Director
4.	Mr. Suresh Akella^	Chairman	Independent and Non-Executive Director

Note: \*Mr. B.S. Srinivasan was a Chairman of the committee till 29.09.2024

^Mr. Suresh Akella was appointed as Member and Chairman since 11.11.2024

**Terms of reference:**

The committee was formed with the object of providing immediate attention to the shareholder's grievance 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 Committee duly met once during the financial year on 13.02.2025 and all the members attended the meeting.

The Company has resolved all the complaints from the stakeholders. There are no pending letters/ complaints as on the date of the Directors' Report.

Name and designation of the Compliance officer: Mrs.K Ramyanka Yadav, Company Secretary.

**7. MD/CFO CERTIFICATION**

The Managing Director and CFO of the Company have certified to the Board that the financial results of the Company for the year ended 31<sup>st</sup> March, 2025 do not contain any false or misleading statements or figures and do not omit any material facts which may make the statements or figures contained therein misleading as required by Regulation 33 of SEBI (LODR) Regulations.

**8. 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
2024	30.09.2024	11.30 A.M	Plot No. A 18 & 19, A.P.I.E, Balanagar, Hyderabad - 500037
2023	30.09.2023	12.30 P.M	Through Video Conference
2022	30.09.2022	11.30 A.M	Plot No. A 18 & 19, A.P.I.E, Balanagar, Hyderabad - 500037

ii) Whether any special resolution/s considered in the previous AGMs/ EGM: YES

**50<sup>th</sup> AGM – 30.09.2024:**

- a. Appointment of Mr. Vidya Sagar Gannamani as an Independent Director of the Company.

**49<sup>th</sup> AGM – 30.09.2023 (Video Conference)**

- a. Re-appointment of Mr. Sri Krishna Uppaluri(DIN08880274) as Whole-Time Director of the Company designated as Executive Director & CEO of the Company and fixation of remuneration.  
b. Commission payable to Non-Executive Directors.

**48<sup>th</sup> AGM – 30.09.2022:**

- a. Appointment of Dr.A. Suresh (DIN 06931014) as Independent Director of the Company  
b. Approval of revision of remuneration payable to Mr. Sri Krishna Uppaluri, Whole time Director of the Company:

iii) Whether any special resolution passed last year through postal ballot: No

iv) Whether any special resolution is proposed to be conducted through postal ballot:

No Postal Ballot was conducted during the year. None of the resolutions proposed for the ensuing Annual General Meeting need to be passed by Postal Ballot.

v) Procedure for postal ballot: N.A.

**9. 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.

**10. MEANS OF COMMUNICATION:**

The Quarterly results of the Company are published in the newspapers like Nava Telangana, Financial Express and Annual Reports are sent to all the Shareholders yearly and the same will be displayed in [www.veljan.in](http://www.veljan.in) along with the official press releases, if any.

**11. GENERAL SHAREHOLDER INFORMATION:**

a) The 51<sup>st</sup> Annual General Meeting of the Company will be held on Friday, 29<sup>th</sup> August, 2025 at 3.00 P.M. at Plot No. A 18 & 19 APIE, Balanagar, Hyderabad-500037, Telangana.

b) The Financial Year: 1<sup>st</sup> April, 2025 to 31<sup>st</sup> March, 2026.

Financial Calendar 2025-2026 (tentative)

First Quarter results (April - June): 14<sup>th</sup> August 2025

Second Quarter results (July – Sept): On or before 14<sup>th</sup> November 2025

Third Quarter results (Oct – Dec): On or before 14<sup>th</sup> February 2026

Annual Results audited (Audited): On or before 30<sup>th</sup> May 2026

c) Date of Book Closure: 23<sup>rd</sup> August 2025 to 29<sup>th</sup> August 2025 (both days inclusive).

d) The Shares of the Company are listed at BSE Limited, Mumbai.

e) The listing fees for the financial years 2024-25 and 2025-26 has been paid to the stock exchange.

f) Stock code: 505232

g) ISIN for the Company's Equity Shares: INE 232E01013

h) Depositories for Equity Shares: National Securities Depository (NSDL) Limited and Central Depository Services Limited (CDSL)

i) Dividend Payment Date: A Dividend of Rs.8.50/- per equity share of Rs.10/-each is proposed at the ensuing AGM and if approved will be paid within 30 days from the date of AGM.

j) Shares received for physical transfers (transmission requests only) are generally registered within a period of 10 days from the date of receipt of the valid and duly filled up transfer deeds.

k) In respect of transfer of physical shares, Shareholders are advised to contact our RTA; M/s. Venture Capital and Corporate Investments Limited; "AURUM", Door No.4-50/P-II/57/4F & 5F, Plot No.57, 4<sup>th</sup> & 5<sup>th</sup> Floors, Jayabheri Enclave Phase – II, Gachibowli, Hyderabad – 500 032, Telangana. Phone: +91 040 23818475/35164940



l) REGISTRAR AND TRANSFER AGENTS:

M/s. Venture Capital and Corporate Private Investments Limited;  
 “AURUM”, Door No.4-50/P-II/57/4F & 5F, Plot No.57, 4<sup>th</sup> & 5<sup>th</sup> Floors, Jayabheri Enclave Phase – II,  
 Gachibowli, Hyderabad – 500 032, Telangana. Phone: +91 040 23818475/35164940

m) SHARE TRANSFER SYSTEM:

The share transfers which are received in physical form are processed and the share certificates are returned within a period of 10 to 15 days from the date of receipt, subject to the documents being found valid and complete in all respects. The Company appointed M/s. Venture Capital & Corporate Investments Pvt. Ltd as common Registrar and Transfer Agents for dealing with all the activities connected with both physical and demat segments pertaining to the Securities of the Company. As per revised regulation 40 of the SEBI (LODR) Regulations, 2015, shares will no longer be transferred in physical mode. Any investor who is desirous of transferring shares (which are held in physical form) after April 01, 2019 can do so only after the shares are dematerialized.

n) Commodity price risk or foreign exchange risk and hedging activities: No hedging activities had been taken up by the company.

o) Information in respect of transfer of shares to IEPF and unclaimed dividends due for remittance into Investor Education and Protection Fund (IEPF) is given below:

Under the provisions of the Companies Act, 2013 dividends that remain unclaimed for a period of seven years from the date of declaration are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government and also during the financial year 2017-18 MCA also notifies the transfer of under laying shares of unclaimed / unpaid dividend for seven years to IEPF account.

Your Company will undertake necessary steps for transfer of unclaimed / unpaid dividend and underplaying shares pertains to financial year 2017-18 in accordance with the applicable provisions of the Act and Rules and ensure the transfer to IEPF account. Shareholders are required to claim the unpaid dividend if any immediately.

**The unclaimed dividends as on March 31, 2025 with due date of transfer to IEPF is as follows:**

<b>Financial Year</b>	<b>Date of transfer to IEPF</b>
2017-18	October 2025
2018-19	October 2026
2019-20	April 2027
2020-21	October 2028
2021-22	October 2029
2022-23	October 2030
2023-24	October 2031

**12. A. DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>st</sup> MARCH, 2025:**

Nominal Value Rs.	Holders		Amount	
	Number	% to Total	In Rs.	% to Total
Upto - 5000	4613	96.61	222928	4.95
5001 - 10000	84	1.76	55955	1.24
10001 - 20000	31	0.65	44271	0.98
20001 - 30000	14	0.29	33896	0.75
30001 - 40000	4	0.08	14382	0.32
40001 - 50000	1	0.02	5000	0.11
50001 - 100000	7	0.15	57741	1.28
100001 and above	21	0.44	4065827	90.35
<b>TOTAL</b>	<b>4775</b>	<b>100</b>	<b>4500000</b>	<b>100</b>

**12. B. SHAREHOLDING PATTERN AS ON 31<sup>st</sup> MARCH, 2025:**

Category	Number of Shareholders	No. of Shares held	Percentage of Shareholding (%)
Promoters	13	3374194	74.98
Mutual Funds and UTI	0	0	0.00
Banks, Financial Institutions, Insurance Companies	0	0	0.00
Flls	0	0	0.00
Bodies Corporate	40	42062	0.93
Indian Public	4658	568531	12.64
Non-Resident Indians	63	22511	0.5
IEPF	1	492702	10.95
<b>Total</b>	<b>4775</b>	<b>4500000</b>	<b>100</b>

**13. DEMATERIALISATION OF SHARES AND LIQUIDITY:**

44,70,281 shares of the Company representing 99.34% of the total paid up share capital of the Company are being held in Demat form as on 31<sup>st</sup> March, 2025.

**14. OUTSTANDING GDRS / ADRS / WARRANTS AND OTHER CONVERTIBLE INSTRUMENTS:**

Conversion dates and likely impact on equity: NIL

**15. PLANT LOCATION:**

Plot No.10A, Phase – I, Industrial Development Area, Patancheru, Sangareddy District, Telangana – 502319

**16. ADDRESS FOR CORRESPONDENCE:**

Veljan Denison Limited  
 Secretarial & Compliance Department  
 A18,19, A P I E, Balanagar, Hyderabad – 500037  
 Telephone: 91-40-27763525, Fax: +91-40-23773963  
 Email: [comp\\_secy@veljan.in](mailto:comp_secy@veljan.in)  
 Website: [www.veljan.in](http://www.veljan.in)

**17. 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: NIL.

All transactions entered into with related parties during the financial year were on arm's length basis and in the ordinary course of business. The transactions with related parties are in compliance with sec 188 of the Companies act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year 2024-25, as required under section 177 of the Companies Act, 2013 and Regulation 23 of the Listing Regulations, all RPTs were placed before the Audit Committee for approval.

There were no materially significant transactions entered into by the Company with the related parties which might be deemed to have had a potential material conflict with the interests of the Company at large. The details of the related Party transactions entered during the year and disclosures as required by the Indian Accounting Standards (IND AS 24) are disclosed in the Notes to financial statements.

- b) Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets during the year.

During the year 2024-25, the following penalties were levied by BSE:

- a) delay in filing of the listing approval – Bonus Shares Issue, fine amount of Rs.4,40,000/-.
- b) delay in filing an application for trading approval- Bonus Shares Issue- Fine Amount of Rs.4,00,000/-
- c) delay in completion of Bonus issue within 2 months from the date of Board's Approval- Fine Amount of Rs.38,00,000/-.
- c) The Company has adopted, the Vigil Mechanism and Whistle Blower Policy to provide a framework to promote responsible and secure reporting of undesirable activities. During the year there was no reporting of any undesirable activity by any person.
- d) Details of compliance with mandatory requirements and adoption of the non- mandatory requirement of this clause: All mandatory requirements have been appropriately complied with. The Company has adopted various non-mandatory requirements wherever possible.
- e) Web link where policy for determining material subsidiaries is disclosed: Not applicable as there are no subsidiaries of the Company.
- f) Web link where policy on dealing with related party transactions: [www.veljan.in/investors\\_policy](http://www.veljan.in/investors_policy)
- g) Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Work Place (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment.

All employees (Permanent, Contractual, Temporary, Training) are covered under this Policy. There were no complaints at the beginning of the year i.e. as on 1<sup>st</sup> April, 2024 and during the year the Company has not received any complaints and no complaints were pending as on 31<sup>st</sup> March, 2025.

h) Insider Trading:

The Board of Directors of the Company has duly adopted revised Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by insiders of the Company, pursuant to the provisions of Regulation 8 (Code of Fair Disclosure) and Regulation 9 (Code of Conduct), respectively, of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018. The above codes came into effect from 01<sup>st</sup> April, 2019.

The Code of Conduct has been adopted with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary & Compliance Officer is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

- i) Accounting Treatment: The Company has followed the Ind-AS accounting standards in the preparation of its financial statements.
- j) Risk Management: During the year, the risk assessment parameters were reviewed and modified, wherever needed. The audit committee/ Board reviewed the element of risks and the steps taken to mitigate the risks. In the opinion of the Board, there are no major elements of risk which has the potential of threatening the existence of the Company.
- k) The information on Directors seeking re-appointment/appointment is provided as annexure to the notice of the Annual General Meeting under the heading "Additional information on Directors seeking Re appointment / appointment at the ensuing Annual General Meeting".

During the Financial Year ended 31<sup>st</sup> March, 2025 no Independent Director resigned before the expiry of his tenure.

- l) M/s. Brahmayya & Co., Chartered Accountants (FRN: 000513S) have been appointed as the Statutory Auditors of the Company. The Auditor remuneration details are provided in the Notes to financial statements which will form part of the Annual Report.
  - m) Certificate by Practicing Company Secretary: The Company has received a certificate from CS Nadulapalli Phani Chakravarthy, M/s Chakravarthy & Associates, Practicing Company Secretary, confirming that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/Ministry of Corporate of Affairs or any such authority.
  - n) Compliance Officer: Mrs.K Ramyanka Yadav, Company Secretary is Compliance Officer of the Company for complying with requirements of Securities Laws.
18. The Company has complied with all the requirements of Corporate Governance Report as set out in paras (2) to (10) above.
19. Non-mandatory requirements/Discretionary Requirements as stipulated in Regulation 27 (1) read with Part E of the Schedule II of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015
- a) The Company's financial statements are with unmodified audit opinion.
  - b) The Internal auditors of the Company report directly to the Audit Committee of the Board.

20. The Company has complied with all the mandatory clauses of corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of the regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from the date of its applicability.

21. Disclosures with respect to demat suspense account/ unclaimed suspense account:

The Company has followed the due procedure as provided in the Regulation 39 (4) read with Schedule V & VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in dealing with the unclaimed shares in Public issue/ Rights issues. There were no un-claimed shares in the said accounts.

22. Compliance Certificate regarding compliance of conditions of corporate governance

As required by Schedule V (E) to SEBI (LODR) Regulations, 2015 the secretarial auditors' certificate on corporate governance is enclosed to this report and forms part of this report.

#### **DECLARATION ON CODE OF CONDUCT**

This is to confirm that the Board has laid down a Code of Conduct for all Board Members and senior management personnel of the Company. The code of conduct has also been posted on the website of the Company. It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on March 31, 2025 as envisaged in Listing Regulations.

By order of the Board  
**FOR VELJAN DENISON LIMITED**

**Place:** Hyderabad  
**Date:** 02.08.2025

<b>V G Srinivas</b>	<b>Sri Krishna Uppaluri</b>
<b>Director</b>	<b>Managing Director &amp; CEO</b>
<b>(DIN 00181826)</b>	<b>(DIN 08880274)</b>

**MD/ CFO CERTIFICATION**

To  
The Board of Directors  
Veljan Denison Ltd.  
Hyderabad

In relation to the Audited Financial Accounts (Standalone & Consolidated) of the Company as at 31<sup>st</sup> March, 2025, we hereby certify that:

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.

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.

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 they have taken or propose to take to rectify these deficiencies.

We have indicated to the auditors and the Audit committee that

- (i) the significant changes in internal control over financial reporting during the year;
- (ii) the significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (iii) no 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:** 30.05.2025  
**Place:** Hyderabad

**Sri Krishna Uppaluri**  
**Managing Director & CEO**  
**(DIN 08880274)**

**G. Subba Rao**  
**C.F.O**



**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
**The Members of**  
**VELJAN DENISON LIMITED**  
(CIN: L29119TG1973PLC001670)

I have examined the compliance of conditions of Corporate Governance by Veljan Denison Limited ('the Company'), for the Financial Year ended 31<sup>st</sup> March 2025, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

We have conducted our examination on the basis of the relevant records and documents maintained by the Company and furnished to us for the purpose of the review and the information and explanations given to us by the Company during the course of such review.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management of the Company, we certify that the Company has in all material respect complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations, as applicable.

I 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 Chakravarthy & Associates**

**Sd/-**

**Nadupalli Phani Chakravarthy**

Practicing Company Secretary

M. No. A32380; C.P. No. 22563

Peer Review Certificate No. 6621/2025

**Place: Hyderabad**

**Date: 02.08.2025**

**UDIN: A032380G000918815**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY STRUCTURE AND DEVELOPMENTS:

The global hydraulic market was valued at USD 39.40 billion in 2025 and is anticipated to grow at a CAGR of 2.4% by 2030. The global hydraulic market is expected to reach USD 44.26 billion by 2030. The major factors for the growth of the industry are the demand for material handling equipment, cutting-edge agricultural equipment and growing adoption of hydraulic equipment by various industries. The demand for hydraulic and pneumatic cylinders is also increasing in number of manufacturing and other sectors, which is expected to propel the cylinder market. Your company manufactures niche hydraulic pumps, valves and motors which are used in both industrial and mobile systems.

Geographically, **Asia-Pacific** remains the strongest demand centre for hydraulic components, supported by high industrial output, infrastructure growth, and capital investments in manufacturing. **North America and Europe** continue to shift toward smarter, energy-efficient hydraulic solutions, creating opportunities for product lines that offer performance with reduced energy consumption and maintenance. **Latin America** and **Africa** present growing, albeit fragmented, opportunities in the agriculture and construction sectors.

### OUTLOOK:

**Market Growth:** The hydraulic sector is experiencing steady growth. This is largely due to increased industrial automation, rising infrastructure projects, and expanding manufacturing sectors worldwide. Further, new product development efforts are gradually allowing your company access to customers in new segments within the hydraulics space. The growth of the Indian infrastructure industry and increased government allocations to the infrastructure sector are positive signs for the demand for the company's products in India. Your company has a strong balance sheet that is capable of flexibly investing in both IP and machinery to tap into this growth.

**Technological Advancements:** Innovations in hydraulic system technologies are enhancing system efficiency and performance. Developments include smart sensors, advanced control systems, and more durable materials, which are making systems more reliable and cost-effective. The company strives to stay in tune with the latest developments in the industry and dedicates resources to both new product development and research, design and development activities.

**Energy Efficiency:** There is a strong push towards improving energy efficiency within these systems. Companies are investing in technologies that reduce energy consumption and lower operating costs, such as variable frequency drives and energy-efficient pumps. In both these areas, your company has dedicated R&D resources.

**Sustainability:** Environmental regulations and sustainability goals are pushing the industry towards greener technologies. Companies are focusing on reducing emissions, improving recyclability of components, and developing eco-friendly fluids. Your company monitors these trends regularly and ensures that its products are adaptable to the latest fluids and is not expected to be impacted by these changes in the medium term.

**Hybrid Systems:** The development of hybrid systems that combine hydraulic, electric technologies could lead to more versatile and efficient solutions. These systems can offer the benefits of both hydraulic power and the precision of electric drives.

**Customization and Flexibility:** There will be an increasing demand for customized and flexible solutions to meet specific industrial requirements. Modular and adaptable systems will likely become more common to accommodate a wide range of applications.

**Emerging Markets:** Growth in emerging markets, particularly in Asia-Pacific and Latin America, will drive demand for hydraulic systems. Expanding industrialization and infrastructure development in these regions will offer new opportunities for industry players.

### OPPORTUNITIES:

Veljan Denison Ltd, with its strong technology base and extensive manufacturing and operational expertise, is located ideally to be a part of the India growth story. It remains a strong brand recognized for high quality products,

which allows new products to be developed and accepted by customers. Consistent investment in products and processes, coupled with well priced solutions give it opportunities to actively grow in its enduring customer relationships.

#### **RISKS AND CONCERNS:**

**Safety Hazards:** The hydraulic industry often deals with high pressures, fast-moving components, and heavy machinery. Accidents involving hydraulic systems can result in severe injuries or fatalities if not properly managed. Hydraulic fluid leaks, explosions, and unexpected movements of hydraulic components can all pose significant safety risks.

**Fluid Leakage and Environmental Impact:** Hydraulic systems use fluids to transmit power. Leaks in hydraulic systems can lead to fluid contamination and spillage, which can have negative environmental consequences. Hydraulic fluids can be harmful to the environment and water sources if not handled and disposed of properly.

**Maintenance and Inspection:** Hydraulic systems require regular maintenance and inspection to ensure they are functioning properly and safely. Neglecting maintenance can lead to equipment failures, unexpected downtime, and safety hazards.

**Component Wear and Tear:** Hydraulic components like pumps, valves, and hoses undergo wear and tear over time due to the high pressures and forces involved. This can lead to inefficiencies, reduced performance, and increased risk of system failure.

**Energy Efficiency:** Hydraulic systems have historically been criticized for their energy inefficiency, as hydraulic fluid leaks, internal friction, and pressure losses can reduce overall system efficiency. As environmental concerns and energy costs rise, there is a growing demand for more energy-efficient hydraulic solutions.

**Geopolitical Impacts:** The prevailing global uncertainty, and continuous reorganization of supply chains both in India and in other countries has the potential to impact the company's revenues.

**Technology Risks:** In today's fast paced world, technologies are ever evolving. There is always the risk of changing preferences in pumping technologies, novel technologies arriving to displace existing ones, and increasing competition for existing markets especially from copycat products.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

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

#### **FINANCIAL PERFORMANCE REVIEW:**

The analysis of performance of the Company is given below:

- **Sales Turnover:**

The Comparative position of sales turnover achieved by the Company is as under:

(Figures in Rs Lakhs)

<b>Product</b>	<b>2024-25</b>	<b>2023-24</b>
Revenue from Operations (Net)	14158.01	12,425.46
Changes in inventories of Finished goods and Work-in-process	(599.06)	(573.31)
<b>Total</b>	<b>14757.07</b>	<b>12,998.77</b>

• **Key Performance Indicators**

An analysis of the key indicators as percentage to revenue is given below:

S.No	Particulars	2024-25	2023-24
1.	Revenue from Operations (Net)	<b>14757.07</b>	12,998.77
2.	Cost of materials consumed - % of revenue from operations	<b>5766.65</b> <b>39.08%</b>	5009.33 38.54%
3.	Employee Benefit Expense - % of revenue from operations	<b>1335.94</b> <b>9.05%</b>	1219.71 9.38%
4.	Other Expenses - % of revenue from operations	<b>4310.78</b> <b>29.21%</b>	3733.32 28.72%
5.	Finance Costs - % of revenue from operations	<b>43.85</b> <b>0.30%</b>	101.53 0.78%
6.	Depreciation Expense - % of revenue from operations	<b>503.31</b> <b>3.41%</b>	475.45 3.66%
7.	Profit Before Tax - % of revenue from operations	<b>3074.10</b> <b>20.83%</b>	2730.97 21.01%
8.	Profit After Tax - % of revenue from operations	<b>2247.51</b> <b>15.23%</b>	2036.53 15.67%

**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. The number employees as on March 31, 2025 stood at 288.

**CAUTIONARY STATEMENT:**

Cautionary Statement in this “Management Discussion & Analysis” may be considered being “forward looking statements” within the meaning of applicable securities law so 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.

**DISCLOSURE WITH RESPECT TO ACCOUNTING TREATMENT:**

The Financial Statements does not contain any treatment which differs from any standard prescribed in any Accounting Standard.

**Annexure - 1****CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014:

**(A) Conservation of Energy:**

- i) The operations of the company are not energy intensive however conscious efforts are made at all levels of operations to conserve energy and minimise its use.
- ii) The steps taken by the Company for utilizing alternate sources of energy: Use of solar light in possible areas
- iii) The capital investment on energy conservation equipment: NIL

**(B) Technology absorption:**

- i) The efforts made towards technology absorption: Continuous interaction and exchange of information in the industry is being maintained with a view to absorbing, adapting and innovating new methods that maybe possible.
- ii) The benefits derived like product improvement, cost reduction, product development or import substitution: Quality improvement, cost reduction and import substitution.
- iii) In case of imported technology (imported during the last three years reckoned from beginning of the financial year)-
  - a) The year of import: NIL
  - b) Whether the technology has been fully absorbed: NIL
  - c) If not fully absorbed, areas where absorption has not taken place and the reasons thereof: Not applicable
- iv) The expenditure incurred on Research and Development: 85.12 Lakhs

**(C) Foreign Exchange Earnings and Outgo:**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows:

Foreign Exchange used: Rs. 796.02 Lakhs (Previous Year Rs. 723.90 Lakhs)

Foreign Exchange earned: Rs. 63.58 Lakhs (Previous Year: 92.20 Lakhs)

By order of the Board of Directors  
**FOR VELJAN DENISON LIMITED**

**Place:** Hyderabad  
**Date:** 02.08.2025

**Sri Krishna Uppaluri**  
**Managing Director & CEO**  
**(DIN 08880274)**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
The Board of Directors  
**Veljan Denison Limited**  
A18 & 19, APIE, Balanagar,  
Hyderabad, Telangana - 500037, India.

I have examined the relevant registers, records, forms, returns and disclosures received from Veljan Denison Limited having CIN: L29119TG1973PLC001670 and having registered office at A18 & 19, APIE, Balanagar, Hyderabad, Telangana - 500037, India (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31<sup>st</sup>, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	DIN	Name of Directors	Designation	Date of Appointment	Date of Cessation
1	08880274	Mr. Sri Krishna Uppaluri	Whole-Time Director & CEO	15.09.2020	NA
2	00125840	Mrs. Uma Devi Uppaluri	Non-Executive Director	30.07.2014	NA
3	00181826	Mr. Velamati Gangadhar Srinivas	Non-Executive Director	30.03.2024	NA
4	00394860	Mr. Manish Mohan Motwani	Independent Director	30.03.2024	NA
5	06931014	Mr. Suresh Akella	Independent Director	30.09.2021	NA
6	00029120	Mr. Narayana Rao Garapaty	Independent Director	31.07.2020	NA
7	00482513	Mr. B.S. Srinivasan	Independent Director	30.08.2013	29.09.2024
8	00181609	Mr. V. C. Janardan Rao	Chairman and Managing Director	19.12.1973	30.09.2024



- ◆ Mr. B.S. Srinivasan retired as an Independent Director of the Company with effect from 29.09.2024, as filed in Form DIR-12 with the MCA. During his tenure in 2024-25, he was not debarred or disqualified from being appointed or continuing as a director by SEBI or the MCA.
- ◆ Mr. V.C. Janardan Rao retired as Managing Director on 30.09.2024 and continued as Chairman Emeritus until his demise on 06.02.2025, as recorded in Form DIR-12 with the MCA. During his tenure in 2024-25, he was not debarred or disqualified by SEBI or the MCA.

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Chakravarthy & Associates**

**Sd/-**

**Nadupalli Phani Chakravarthy**

Practicing Company Secretary

M. No. A32380; C.P. No. 22563

Peer Review Certificate No. 6621/2025

**Place: Hyderabad**

**Date: 02.08.2025**

**UDIN: A032380G000918804**

**ANNEXURE TO BOARD'S REPORT**  
**Form AOC-1**

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

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**  
**Part "A": Subsidiaries**

**1. Adan Holdings Limited**

(Rs.in Lakhs)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Adan Holdings Ltd
2.	The date since when subsidiary was acquired	08.08.2022
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as holding company i.e. 01.04.2024 to 31.03.2025
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Conversion exchange rate for Closing per 1GBP: Rs. 110.74
5.	Share capital	0.002
6.	Reserves & surplus	243.60
7.	Total assets	244.15
8.	Total Liabilities	244.15
9.	Investments	244.15
10.	Turnover	-
11.	Profit before taxation	-
12.	Provision for taxation	-
13.	Profit after taxation	-
14.	Proposed Dividend	-
15.	% of shareholding	100%

**2. Adan Limited (Wholly owned subsidiary of Adan Holdings Limited)**

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Adan Ltd
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as holding company i.e. 01.04.2024 to 31.03.2025
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Conversion exchange rate for Closing per 1GBP: Rs. 110.74 Conversion exchange rate for average per 1GBP: Rs. 107.89
4.	Share capital	3.32
5.	Reserves & surplus	1669.12
6.	Total assets	2119.19
7.	Total Liabilities	2119.19
8.	Investments	-
9.	Turnover	1,526.07
10.	Profit before taxation	245.32
11.	Provision for taxation	-
12.	Profit after taxation	139.07
13.	Proposed Dividend	-
14.	% of shareholding	100%

1. Names of subsidiaries which are yet to commence operations: NIL

2. Names of subsidiaries which have been liquidated or sold during the year: NIL

**Part “B”: Associates and Joint Ventures NIL**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures Not Applicable**

1. Names of associates or joint ventures which are yet to commence operations: NIL
2. Names of associates or joint ventures which have been liquidated or sold during the year: NIL

**Part “B”: Associates and Joint Ventures NIL**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures Not Applicable**

1. Names of associates or joint ventures which are yet to commence operations: NIL
2. Names of associates or joint ventures which have been liquidated or sold during the year: NIL

For and on behalf of the Board of Directors  
**Veljan Denison Limited**

**Place:** Hyderabad  
**Date:** 02.08.2025

**Sri Krishna Uppaluri**  
Managing Director & CEO  
DIN 08880274

**ANNEXURE TO BOARD'S REPORT****Form No. AOC-2**

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

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

(a)	Name(s) of the related party and nature of relationship	Not Applicable
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts/arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any:	
(h)	Date on which the special resolution was passed in General Meeting as required under first provision to section 188.	

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

	<b>Name(s) of related party</b>	<b>Relationship</b>	
(a)	M/s. Veljan Hydrair Ltd	Group Company	
	M/s. Suxus Systems Ltd	Group Company	
	M/s. Ecmat Ltd	Group Company	
(b)	Nature of contracts/arrangements/transactions	All proposed transactions are proposed to be carried out based on business requirements of the Company and shall be in ordinary course of business and at arms' length. All the transactions are for sale, purchase of goods or materials within Veljan group.	
(c)	Duration of the contracts/arrangements/transactions	One year w.e.f 01.04.2025	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	<b>Name of the Company</b>	<b>Maximum Value of Transaction per annum</b>
		Veljan Hydrair Ltd	110 Crores
		Suxus Systems Ltd	35 Crores
		Ecmat Ltd	35 Crores
(e)	Date(s) of approval by the Board, if any	30.05.2025	
(f)	Amount paid as advances, if any	NA	

By order of the Board  
**FOR VELJAN DENISON LIMITED**

**Place:** Hyderabad  
**Date:** 02.08.2025

**Sri Krishna Uppaluri**  
Managing Director & CEO  
DIN 08880274

**DETAILS OF RATIO OF REMUNERATION OF DIRECTORS**

{Section 197(12) and Rule 5 of Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014}

- (i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year

Name of the Director	Ratio
Mr. U. Sri Krishna (12 months)	48.63

- (ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year

Name of the Employee	Designation	% Increase
Mr. U. Sri Krishna	Executive Director & CEO	1.13
Mr. G Subba Rao	Chief Financial Officer	1.07
Mr B Narahari	Company Secretary	0.60

- (iii) the percentage increase in the median remuneration of employees in the financial year: 4.51%
- (iv) the number of permanent employees on the rolls of company: 288
- (v) comparison of the remuneration of the Key Managerial Personnel against the performance of the company

Aggregate remuneration of key managerial personnel in 2024 - 2025	
Remuneration in 2024 (Rs in Lakhs)	150.94
Revenue (Rs in Lakhs)	14158.01
Remuneration as a % of revenue	1.07
Profit before Tax (PBT) (Rs in Lakhs)	3074.10
Remuneration of KMP (as a % of PBT)	4.91

- (vi) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

There was a marginal increase in managerial remuneration and the increase in remuneration is after taking into consideration of the responsibilities carried out by the managerial personal.

- (vii) comparison of the each remuneration of the Key Managerial Personnel against the performance of the company

Key Managerial Personnel	% of Revenue	% of PBT
Mr. U. Sri Krishna	0.90	4.13
Mr. G. Subba Rao	0.08	0.36
*Mr B Narahari	0.08	0.35
^Mrs.Ramyanka Yadav K	0.02	0.07

Note: \* Mr.B Narahari, Company Secretary & Compliance Officer resigned w.e.f 23.12.2024

^ Mrs. K Ramyanka Yadav K, Company Secretary & Compliance Officer appointed w.e.f 13.02.2025

- (viii) The key parameters for any variable component of remuneration availed by the directors: Executive Director is entitled 2.5% on profits as part of remuneration and 1% on profits is paid as commission to non-executive directors.

- (ix) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year

Mr. U. Sri Krishna is the highest paid Director of the Company. In Financial year 2024-25, none of the employees has received remuneration in excess of the highest paid Director.

We hereby affirm that the remuneration paid to the Directors and Employees is as per remuneration policy of the Company.

by order of the Board of Directors  
For **Veljan Denison Ltd.**

**Sri Krishna Uppaluri**  
Managing Director & CEO  
DIN 08880274

Place : Hyderabad  
Date : 02-08-2025



**Annexure to Directors Report**  
**ANNUAL REPORT ON CSR ACTIVITIES**

**1. Brief outline of the Corporate Social Responsibility (CSR) Policy:** The 'Veljan CSR Policy' encompasses the Company's philosophy of "Serving Society through Industry" and is designed to employ Company's resources, strengths and strategies in discharging its responsibility as a Corporate Citizen.

**2. The Composition of the CSR Committee:**

Name of the Director	Designation	No. of Meetings Held	No. of Meetings Attended
Mr.G.Narayan Rao	Independent Director & Chairman	1	1
Mr. V G Srinivas	Non-Executive Director & Member	1	1
Mrs. U. Uma Devi	Non-Executive Director & Member	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <https://www.veljan.in/corporate-social-responsibility>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl No	Financial Year	Amount available for set-off from preceding financial years (in Rs. Lakhs)	Amount required to be setoff for the financial year, if any (in Rs. Lakhs)
1	2023-24	36.30	3.29
2	2022-23	47.29	7.89
3	2021-22	28.35	Nil

6. Average net profit of the company as per section 135(5): Rs 2342.79 Lakhs

7. (a) Two percent of average net profit of the company as per section 135(5): Rs. 46.85 Lakhs  
 (b) Surplus arising out of the CSR projects or programs or activities of the previous financial years: Nil  
 (c) Amount required to be set off for the financial year, if any: Rs.3.29 Lakhs  
 (d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 43.56 Lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs. Lakhs)	Amount Unspent (in Rs. Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
Rs. 43.59	-	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year: NIL

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

S.No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/ No)	Location of the Project		Amount Spent for the project in Rs Lakhs	Mode of Implementation	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR No
1	TG Disaster Management	(i) & (ii)	Yes	Telangana	Overall Floods affected districts	Rs. 25.00 Lakhs	Direct	NA	NA
2	Contribution to Sivananda Rehabilitation Home	(i)	Yes	Telangana	Hyderabad	Rs. 17.56 Lakhs	Direct	NA	NA
3	Contribution to Save a Child	(i) & (ii)	No	Delhi	Delhi	Rs. 1.008 Lakhs	Direct	NA	NA

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 43.56 Lakhs

(g) Excess amount for set off, if any: NIL

(h) Amount Unspent: Rs.3.29 Lakhs

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not applicable.

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Not applicable.

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): The Company has spent excess amount in the previous years and the excess amount has been utilized for setoff for the unspent amount of Rs. 3.29 Lakhs.

**Date:** 02.08.2025

**Place:** Hyderabad

**G Narayan Rao**

**Chairman of CSR Committee**

**FORM MR-3**  
**Secretarial Audit Report**  
(Pursuant to section 204(1) of the Companies Act, 2013 and  
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014  
**for the financial year ended 31<sup>st</sup> March, 2025**

**To**  
**The Members,**  
**VELJAN DENISON LIMITED**  
**Hyderabad.**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Veljan Denison Limited (hereinafter called "the Company"). Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year commencing from 1<sup>st</sup> April, 2024 and ended 31<sup>st</sup> March, 2025, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Veljan Denison Limited ("The Company") for the financial year ended on 31<sup>st</sup> March, 2025, according to the provisions of:
  - a. The Companies Act, 2013 (the Act) and the rules made there under;
  - b. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
  - c. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.
  - d. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment and External Commercial Borrowings;
2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') is furnished hereunder for the financial year 2024-25:
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **including the provisions with regard to disclosures and maintenance of records required under the said Regulations;**
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Amended Regulations 2018; **The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure and displayed the same on the Company's website i.e., [www.veljan.in](http://www.veljan.in)**
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **Complied with event-based disclosures, wherever applicable**
  - d. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not Applicable as the Company has not issued any Employee Stock Options during the year**

under review.

- e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **Not Applicable as the Company has not issued any debt securities during the year under review.**
  - f. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; **Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review.**
  - g. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **Not Applicable as the company has not delisted/ proposed to delist its equity shares during the year under review.**
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. **Not Applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review.**
  - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. I have also examined compliance with the applicable clauses of the following:
- a. Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.
  - b. Securities and Exchange Board of India Act, 1992 & Circulars, Master Circulars and Regulations issued by SEBI and applicable to the Company.
  - c. Listing Agreements entered into by the Company with BSE Limited.
4. As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that
- a. As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.
  - b. The provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:
    - External Commercial Borrowings were not attracted to the Company under the financial year under report;
    - Foreign Direct Investment (FDI) was complied by the company under the financial year under report;
    - Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.
5. We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial auditor and other designated professionals.

During the period under review, the Company has generally complied with the provisions of the Companies Act,

2013, and applicable Rules, Regulations, Guidelines, etc., subject to the following observations:

**Observations / Non-Compliances / Adverse Remarks / Qualifications under the Companies Act, 2013 and SEBI Regulations:**

- The listed entity failed to file the listing application within 20 days from the date of allotment of bonus shares, as required.
  - The listed entity failed to apply for trading approval within 7 working days from the receipt of listing approval from the stock exchange.
  - The listed entity did not Complete the bonus issue within 2 months form the Board meeting approval.
6. We, further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
  - b. During the period under review, the Company has issued 2,250,000 bonus shares in the ratio of 1:1, i.e., one new share of face value INR 10 each for every one existing share of INR 10 each held by the shareholders
  - c. I further report that during the year under report, the Company has not undertaken event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. other than those already disclosed to Stock Exchange i.e., BSE.
  - d. I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**NOTE:** This report is to be read with our letter of even date which is annexed as 'Annexure' and forms an integral part of this report.

**For Chakravarthy & Associates**

**Sd/-**

**Nadupalli Phani Chakravarthy**

Practicing Company Secretary

M. No. A32380; C.P. No. 22563

Peer Review Certificate No. 6621/2025

**Place: Hyderabad**

**Date: 02.08.2025**

**UDIN: A032380G000918837**

**Annexure- A to Secretarial Audit Report**

To  
The Members of  
M/s. Veljan Denison Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. I have relied on the reports given by the concerned professionals in verifying the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Chakravarthy & Associates**

**Sd/-**

**Nadupalli Phani Chakravarthy**

Practicing Company Secretary

M. No. A32380; C.P. No. 22563

Peer Review Certificate No. 6621/2025

**Place: Hyderabad**

**Date: 02.08.2025**

**UDIN: A032380G000918837**



## **INDEPENDENT AUDITOR'S REPORT**

To the Members of  
**VELJAN DENISON LIMITED**

### **Report on the Audit of the Standalone Financial Statements Opinion**

We have audited the accompanying standalone financial statements of **VELJAN DENISON LIMITED** ("the company"), which comprise the standalone Balance Sheet as at March 31, 2025, the standalone Statement of Profit and Loss (including other comprehensive income), the standalone Statement of Changes in Equity and the standalone Statement of Cash Flows for the year ended on that date, and a summary of the material accounting policies and other explanatory information (herein after referred to as "the financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the accompanying standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, the profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

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

### **Key Audit Matters**

Key Audit matters are those matters that in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

- 1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit,
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books,
  - c) the standalone balance sheet, the standalone statement of profit and loss including other comprehensive income, standalone statement of changes in equity and the standalone cash flow statement dealt with by this Report are in agreement with the books of account,
  - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.
  - e) On the basis of written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act,
  - f) With respect to the adequacy of internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
  - g) With respect to the Managerial remuneration to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 34 to the standalone financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above, contain any material misstatement.
  - v. a. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.
  - b. As stated in note 55 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
  - vi. Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account for the financial year ended March 31, 2025 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

**(K.SHRAVAN)**  
Partner  
Membership No. 215798  
UDIN: 25215798BMYX14587

**Place :** Hyderabad  
**Date:** 30.05.2025

**Annexure - A to the Auditor's Report:**

The Annexure referred to in Para 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date, to the members of VELJAN DENISON LIMITED, for the year ended March 31, 2025.,

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

- a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
(B) The Company has maintained proper records showing full particulars of intangible assets.
- b. The Company has a regular program of physical verification of its property, plant and equipment, and right of use assets under which the assets are physically verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than Properties where the company is the lessee, and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company, except for the following which is not held in the name of the Company:

Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period Held	Reason for not being held in the name if company
APIIC Land (Patancheru) Land Survey No. 199,200, 201,202, Extent 16,920, Sq. Mtrs	Rs. 474.66	-	No	Since 2008	Pending for registration

- d. The company did not revalue its Property, Plant and Equipment or intangible assets during the year. Accordingly, clause 3 (i)(d) of the Order is not applicable.
- e. There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- ii. a. The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.  
b. In our opinion and according to the information and explanation given to us and the records of the Company examined by us during the course of the audit, the quarterly returns or statements filed by the company with banks or financial institutions are in agreement with the books of account of the Company.
- iii. During the year the Company has not made investments in, granted any loans or advance in the nature of loans, guarantee or security, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties. Therefore, the provisions of clause 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) & 3(iii)(f) of the said Order are not applicable for the year under report.
- iv. The Company has not given any loans or made any investments or given any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, clause 3 (iv) of the Order is not applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

- vi. We have broadly reviewed the cost records maintained by the Company pursuant to sub-section (1) of section 148 of the Companies Act and are of the opinion that prime facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. a. According to the records, the company is regular in depositing undisputed statutory dues including Goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and all other material statutory dues with the appropriate authorities and there were no arrears of statutory dues as at March 31, 2025 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and all other material statutory dues which have not been deposited on account of any dispute except the following.

Name of the Statute	Nature of Dues	Amount (Rs. In lakhs)	Amount paid under protest (Rs. In Lakhs)	Period to which amount related	Forum where dispute is pending
Goods and Service Tax Act, 2017	Goods and Service Tax	145.17	11.08	FY 2018 - 2022	First Appellate Authority & Commissioner of Central Tax Appeals

- viii. According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- ix. a. According to the information and explanations given to us, the Company has not defaulted in repayment of loans or in the payment of interest thereon to any lender.
- b. According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- c. The term loans were applied for the purpose for which the loans were obtained;
- d. In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- f. According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.
- x. a. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3 (x)(a) of the Order is not applicable.
- b. During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence, reporting under clause 3(x)(b) of the Order is not applicable.



- xi. a. No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b. No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- c. According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. a. In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business;
- b. We have considered the reports of the Internal Auditors for the period under audit.;
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. a. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable
- b. In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable;
- xvii. The company has not incurred any cash losses in the financial year and also in the immediately preceding financial year.
- xviii. There is no resignation of statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us, the Company does not have any unspent amount in respect of any ongoing or other than ongoing project as at the expiry of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

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

**(K.SHRAVAN)**  
Partner  
Membership No. 215798  
UDIN: 25215798BMYX14587

**Place :** Hyderabad  
**Date:** 30.05.2025

**Annexure – B to the Auditor’s Report****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls with reference to standalone financial statements of VELJAN DENISON LIMITED (“the Company”) as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

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

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud and error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s financial controls with reference to standalone financial statements.

**Meaning of Internal Financial Controls with Reference to Standalone Financial Statements**

A company’s internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls with reference to standalone financial statements includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles,

and that receipts and expenditure of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

**Place :** Hyderabad  
**Date:** 30.05.2025

**(K.SHRAVAN)**  
Partner  
Membership No. 215798  
UDIN: 25215798BMIYX14587

**STANDALONE BALANCE SHEET AS AT 31<sup>ST</sup>, MARCH 2025**

(Figures in Rs. Lakhs)

Particulars	Refer Note No	AS AT 31-03-2025	AS AT 31-03-2024
<b>ASSETS</b>			
<b>1. NON-CURRENT ASSETS</b>			
a) Property, Plant & Equipment	2	8,177.49	7,785.02
b) Capital work-in-Progress	2	219.29	252.78
c) Intangible Assets	2	5.29	8.60
d) Financial Assets			
i. Other Financial Assets	3	91.60	86.32
ii. Investment	4	1,390.22	1,390.22
e) Other Non Current Assets	5	145.56	95.83
		<u>10,029.45</u>	<u>9,618.77</u>
<b>2. CURRENT ASSETS</b>			
a) Inventories	6	7,028.41	5,982.25
b) Financial Assets			
i. Trade receivables	7	3,276.28	2,852.68
ii. Cash and cash equivalents	8	575.82	21.10
iii. Bank Balances Other than (b)(ii) above	9	3,874.12	3,741.86
iv. Loans	10	11.52	11.44
v. Other financial assets	11	140.18	136.09
c) Other Current assets	12	701.64	747.70
d) Current Tax assets (Net)		54.23	2.60
		<u>15,662.20</u>	<u>13,495.72</u>
<b>Total Assets</b>		<u>25,691.65</u>	<u>23,114.49</u>
<b>1. EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
a) Equity Share Capital	13	450.00	225.00
b) Other Equity	14	21,512.98	19,829.34
		<u>21,962.98</u>	<u>20,054.34</u>
<b>2. LIABILITIES</b>			
<b>NON - CURRENT LIABILITIES</b>			
a) Deferred Tax Liability	29	451.03	354.42
b) Long Term Borrowings	15	30.76	-
		<u>481.79</u>	<u>354.42</u>
<b>3. CURRENT LIABILITIES</b>			
<b>a) Financial Liabilities</b>			
Short Term Borrowings	16	779.89	693.97
<b>b) Trade Payable</b>			
i. Total Outstanding dues of Micro Enterprises & Small Enterprises	17	839.21	605.50
ii. Total outstanding dues other than (b)(i) above		373.44	280.85
iii. Other Financial Liabilities	18	939.94	823.10
<b>c) Other Current Liabilities</b>	19	314.40	302.31
		<u>3,246.88</u>	<u>2,705.73</u>
<b>Total Equity &amp; Liabilities</b>		<u>25,691.65</u>	<u>23,114.49</u>

The accompanying notes 1 to 56 form an integral part of financial statements.

**As per our report of even date  
for BRAHMAYYA & CO**

 Chartered Accountants  
Firm Regn. No. 000513S

**Shravan. K**  
Partner  
**Membership No. 215798**

 Place: Hyderabad  
Date : 30-05-2025

**For and on behalf of Board of Directors**
**Srinivas VG**  
Director  
DIN:00181826

**K. Ramyanka Yadav**  
CS & CO  
Membership No.A45483

**U. Sri Krishna**  
ED & CEO  
DIN:008880274

**G. Subba Rao**  
C F O

STATEMENT OF STANDALONE PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (Figures in Rs Lakhs)

Particulars	Refer Note No	For the Year Ended 31-03-2025	For the Year Ended 31-03-2024
<b>1. INCOME:</b>			
a) Revenue from operations	20	14,158.01	12,425.46
b) Other Income	21	277.56	271.73
<b>Total Income (a+b)</b>		<b>14,435.57</b>	<b>12,697.19</b>
<b>2. EXPENSES:</b>			
a) Cost of Materials Consumed	22	5,766.65	5,009.33
b) Changes in inventories of finished goods and work-in-process	23	(599.06)	(573.31)
c) Employee benefits expense	24	1,335.94	1,219.71
d) Finance cost	25	43.85	101.53
e) Depreciation & Amortisation Expenses	26	503.31	475.45
f) Other expenses	27	4,310.78	3,733.52
<b>Total Expenses</b>		<b>11,361.47</b>	<b>9,966.22</b>
<b>3. Profit Before exceptional items and tax (1-2)</b>		<b>3,074.10</b>	<b>2,730.97</b>
<b>4. Exceptional items</b>		-	-
<b>5. Profit Before tax (3-4)</b>		<b>3,074.10</b>	<b>2,730.97</b>
<b>6. Tax expenses:</b>			
a) Current Tax		737.69	657.66
b) Tax relating to previous periods		6.96	16.17
c) Deferred tax		81.94	20.61
<b>Total Tax Expenses</b>		<b>826.59</b>	<b>694.44</b>
<b>7. Profit for the year (5-6)</b>		<b>2,247.51</b>	<b>2,036.53</b>
<b>8. Other Comprehensive Income</b>			
Items that will not be reclassified subsequently to Profit & loss		58.30	-
Income tax relating to items that will not be reclassified to P & L		(14.67)	-
<b>Total Other Comprehensive Income for the year</b>		<b>43.63</b>	<b>-</b>
<b>9. Total Comprehensive Income for the year</b>		<b>2,291.14</b>	<b>2,036.53</b>
<b>Earning per equity share of Rs. 10 each</b>			
1) Basic & Diluted	36	49.94	45.26

The accompanying notes 1 to 56 form an integral part of Financial Statements.

**As per our report of even date  
for BRAHMAYYA & CO**  
Chartered Accountants  
Firm Regn. No. 000513S

**For and on behalf of Board of Directors**

**Shravan. K**  
Partner  
**Membership No. 215798**

**Srinivas VG**  
Director  
DIN:00181826

**U. Sri Krishna**  
ED & CEO  
DIN:008880274

Place: Hyderabad  
Date : 30-05-2025

**K. Ramyanka Yadav**  
CS & CO  
Membership No.A45483

**G. Subba Rao**  
C F O

**STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2025** (Figures in Rs Lakhs)

**A. EQUITY SHARE CAPITAL:**

<b>For the Year ended 31<sup>st</sup> March, 2025</b>	<b>Amount</b>	<b>For the Year ended 31<sup>st</sup> March, 2024</b>	<b>Amount</b>
Balance as at 1st April 2024	225.00	Balance as at 1st April 2023	225.00
Changes in equity Shares Capital during the year ended	225.00	Changes in equity Shares Capital during the year ended	-
Balance as at 31st March 2025	450.00	Balance as at 31st March 2024	225.00

**B. OTHER EQUITY :**
**For the Year ended 31st March 2025**

<b>Particulars</b>	<b>Reserves and Surplus</b>					<b>Total</b>
	<b>Security Premium</b>	<b>Capital redemption reserve</b>	<b>investment allowance reserve</b>	<b>General reserve</b>	<b>Retained Earnings</b>	
<b>Balance as at 1<sup>st</sup> April 2023</b>	45.00	3.00	12.80	17,588.33	436.18	18,085.31
Profit for the Year	-	-	-	-	2036.53	2,036.53
Total Comprehensive Income	<b>45.00</b>	<b>3.00</b>	<b>12.80</b>	<b>17,588.33</b>	<b>2472.71</b>	<b>20,121.84</b>
Dividend paid (incl. dividend tax)	-	-	-	-	(292.50)	(292.50)
Transfer to general Reserve	-	-	-	1,302.71	(1,302.71)	-
<b>Balance as at 31st March 2024</b>	<b>45.00</b>	<b>3.00</b>	<b>12.80</b>	<b>18,891.04</b>	<b>877.50</b>	<b>19829.34</b>
<b>Balance at 1st April 2024</b>	45.00	3.00	12.80	18,891.04	877.50	19,829.34
Profit for the Year	-	-	-	-	2,247.51	2,247.51
Other comprehensive income for the year (net of tax)	-	-	-	-	43.63	43.63
Total Comprehensive Income	45.00	3.00	12.80	18,891.04	3,168.64	22,120.48
Dividend paid	-	-	-	-	(382.50)	(382.50)
Transfer on issue of Bonus Shares	-	-	-	-	(225.00)	(225.00)
Transfer to general Reserve	-	-	-	1,798.26	(1,798.26)	-
<b>Balance as at 31st March 2025</b>	<b>45.00</b>	<b>3.00</b>	<b>12.80</b>	<b>20,689.30</b>	<b>762.88</b>	<b>21,512.98</b>

The Description of the nature and purpose of reserves within equity is as follows.

- Security premium : Premium received on issue of equity shares credited to Securities Premium Reserve. It can be utilised as per the provision of Section 63 of the Companies Act, 2013.
- Capital Redemption Reserve: Created on cancellation of equity shares under the scheme of arrangement and redemption of preference shares. It can be utilised as per the provision of section 63 of the Companies Act, 2013.
- Capital Reserve: Comprise of Capital subsidy received for setting up manufacturing plant at mohad and profit on sale of assets over the Original cost of assets.
- Retained Earnings : This Reserve represents the cumulative profits of the Company. This Reserve can be utilised in accordance with the provisions of Companies Act, 2013.

**As per our report of even date  
for BRAHMAYYA & CO**

Chartered Accountants  
Firm Regn. No. 000513S

**Shravan. K**  
Partner  
**Membership No. 215798**

Place: Hyderabad  
Date : 30-05-2025

**For and on behalf of Board of Directors**

**Srinivas VG**  
Director  
DIN:00181826

**K. Ramyanka Yadav**  
CS & CO  
Membership No.A45483

**U. Sri Krishna**  
ED & CEO  
DIN:008880274

**G. Subba Rao**  
C F O



**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2025** (Figures in Rs Lakhs)

Particulars	Year Ended 31-03-2025	Year Ended 31-03-2024
<b>A. Cash Flow From Operating Activities</b>		
Profit/ (Loss) before tax	3,074.10	2,730.97
Adjustments for:		
Depreciation and amortization expense	503.31	475.45
Interest income	(264.66)	(248.02)
Finance Cost	43.85	101.53
Loss on Sale of Assets	2.45	-
Tools or Dies Written Off	26.17	22.72
<b>Operating Profit before working capital Changes</b>	<b>3,385.25</b>	<b>3,082.65</b>
<b>Movement in Working Capital</b>		
Decrease/(increase) in inventories	(1,072.34)	(745.33)
Decrease/(increase) in trade receivables	(423.60)	(42.23)
Increase / (decrease) Trade payables	326.30	(121.41)
Decrease / (Increase) in financial assets	(22.54)	(11.51)
Decrease / (Increase) in non-financial assets	46.06	(155.71)
Increase / (decrease) in financial liabilities	151.04	(344.43)
Increase / (decrease) in other liabilities	42.85	35.41
<b>Cash Generated from Operations</b>	<b>2433.02</b>	<b>1,697.45</b>
Taxes Paid (Net Paid)	(796.28)	(562.54)
<b>Net Cash flow from Operating Activities (A)</b>	<b>1636.73</b>	<b>1,134.91</b>
<b>B. Cash Flow From Investing Activities</b>		
Purchase of Property plant and equipment and intangible assets incl. CWIP	(871.23)	(925.38)
Proceeds from sale of assets	6.87	6.85
Movement in other bank balances	(132.26)	26.21
Interest Received	277.74	251.18
<b>Net cash flow generated/(used) from investing activities (B)</b>	<b>(718.88)</b>	<b>(641.14)</b>
<b>Cash flows from financing activities</b>		
<b>C. Proceeds from/(repayment of) short-term loans and borrowings, net</b>	<b>85.92</b>	<b>(247.33)</b>
Dividend paid	(405.21)	(140.68)
Interest paid	(43.85)	(101.53)
<b>Net cash from/(used in) financing activities (C )</b>	<b>(363.14)</b>	<b>(489.54)</b>
<b>D. Net increase in cash and cash equivalents (A+B+C)</b>	<b>554.72</b>	<b>4.23</b>
Cash and cash equivalents at the beginning of the period/year	21.10	16.87
<b>Cash and cash equivalents at the end of the year</b>	<b>575.82</b>	<b>21.10</b>
Component of Cash and Cash Equivalent		
Cash in Hand	2.23	4.89
Balance with banks in current account	0.16	0.05
Fixed Deposits with maturity less than 3 months	573.43	16.16
<b>Total Cash and Cash Equivalents in Cash Flow Statement</b>	<b>575.82</b>	<b>21.10</b>

- The above cash flow statement has been prepared under the Indirect Method set out in the Ind AS-7 specified under Section 133 of the Companies Act 2013.
- Previous year figures have been regrouped and recasted wherever necessary to conform to the current classification.

**As per our report of even date  
for BRAHMAYYA & CO**

Chartered Accountants  
Firm Regn. No. 000513S

**Shravan. K**  
Partner  
**Membership No. 215798**

Place: Hyderabad  
Date : 30-05-2025

**For and on behalf of Board of Directors**
**Srinivas VG**  
Director  
DIN:00181826

**K. Ramyanka Yadav**  
CS & CO  
Membership No.A45483

**U. Sri Krishna**  
ED & CEO  
DIN:008880274

**G. Subba Rao**  
C F O

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025****NOTE NO. 1****CORPORATE INFORMATION:**

Veljan Denison Limited (the “Company”) is a Public Limited Company incorporated on 19th December, 1973 with its Registered Office at Plot No 44, 4th floor, HCL Towers, Chikoti Gardens, Begumpet, Hyderabad 500 016 Telangana State. The Company is engaged in the business of Manufacturing of Hydraulic Pumps, Motors, Valves and Custom Built Power Packs. The Company is listed on Bombay Stock Exchange Limited, Mumbai.

The financial statements of the company for the year ended March 31st, 2025 are approved for issue by the Company’s Board of Directors on 30th May, 2025.

**MATERIAL ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS:****1. Material Accounting Policies:****1.1. Statement of Compliance:**

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standard) Rules, 2015 notified under section 133 of the Companies Act 2013, amendments there to and other relevant provisions of the Act.

**1.2. Basis of Preparation of Financial Statements.**

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as specified under section 133 of the Companies Act 2013 and other relevant provisions of the Act.

These Ind AS Financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been consistently except where a newly issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hitherto in use.

**1.3. Functional and presentation currency**

The financial statements are presented in INR which is also the Company functional currency and all values are in Rupees in lakhs except when otherwise indicated.

**1.4. Classification of Assets and Liabilities as Current and Non Current:**

The Company has determined its operating cycle as 12 months for the purpose of classification of current and non-current assets and liabilities. This is based on the nature of product and the time between the acquisition of inventories for processing and their realization in cash and cash equivalents.

Deferred tax assets and deferred tax liabilities are classified as non –current assets and liabilities.

**1.5. Use of Estimates & Judgments:**

The estimates and Judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances.

**1.6. Property, Plant and Equipment – Tangible Assets:**

- i. Property, Plant and Equipment other than land are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises of purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025**

- ii. Capital Work In Progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.
- iii. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

**Depreciation and Amortization Method:**

Depreciation is provided on Straight Line Method on the basis of useful lives of such assets specified in Schedule II to the Companies Act, 2013 except the assets costing Rs. 5000/- or below on which depreciation is charged @ 100%.

Depreciation on additions is being provided on pro rata basis from the date of such additions. Depreciation on assets sold, discarded or demolished during the year is being provided up to the date on which such assets are sold, discarded or demolished.

**The estimated useful lives for the Property, plant and equipment are as follows:**

Asset Classification	Useful Life
Buildings	30-60
Electrical Installations	10
Plant & Equipment	15
Furniture & Fixtures & Canteen Equipments	10
Office Equipment	3-5
Vehicles	8

**1.7. Intangible Assets:**

Intangible assets are stated at cost less accumulated amortization. Cost includes any expenditure directly attributable on making the asset ready for its intended use.

**Intangible assets are amortized over their useful life.****1.8. Impairment of Assets**

The carrying values of assets/cash generating units at each balance sheet date are reviewed for Impairment if any indication of impairment exists. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value.

Recoverable value: Recoverable value being higher of value in use and fair value less cost of disposal. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognized as an expense in the Statement of profit and loss in the year in which an asset identified as impaired.

**1.9. Cash & Cash Equivalents:**

For the purpose of presentation in the statement of cashflows, cash and cash equivalents includes cash on hand, deposits held at call with principal institutions, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**1.10. Trade Receivable:**

Trade Receivables are recognised initially at fair value and subsequently measured at amortised cost using effective interest method, less provision for impairment.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025**
**1.11. Inventory:**

Inventories of raw materials, consumable stores and packing materials are valued at cost on weighted average method, finished goods and work in process are valued at cost on weighted average method or realisable value whichever less. 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 written down value and further issue of tools are charged to revenue as and when issued.

**1.12. Financial Instrument:**

A Financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

**a. Financial Asset:**

Initial recognition and measurement:

All financial instruments are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through statement of profit and loss transaction costs that are attributable to the acquisition of the financial asset, purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the trade date i.e. the date that company commits to purchase or sell the asset.

**Subsequent Measurement:**

**For the purpose of subsequent measurement financial assets are classified as measured at:**

- 1) Amortised cost
- 2) Fair value through profit and loss (FVTPL)
- 3) Fair value through Other Comprehensive Income (FVTOCI)

**Financial Asset measured at amortized cost:**

Financial Assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flow and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost using effective interest rate (EIR) method. The EIR amortization is recognized as finance income in the statement of Profit & Loss.

The company while applying above criteria has classified all the financial assets (except investments in equity share) at amortized cost.

**Financial Assets Measured at fair value through other comprehensive Income:**

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets collecting contractual cash flow that are solely payment of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI) interest income measured using the EIR method and impairment losses, if any are recognized in the statement of Profit and loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the statement of profit and loss.

**Financial Assets at fair value through profit or loss (FVTPL):**

Financial Asset are measured at fair value through profit & loss if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the statement of profit & loss.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025****De-recognition of Financial Assets:**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

**Impairment of Financial Assets:**

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the debt instruments, that are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

Expected credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive.

The management uses a provision matrix to determine the impairment loss on the portfolio of trade and other receivable. Provision matrix is based on its historically observed expected credit loss rates over the expected life of the trade receivables and is adjusted for forward looking estimates.

Expected credit loss allowance or reversal recognized during the period is recognized as income or expense, as the case may be, in the statement of profit and loss. In case of balance sheet, it is shown as reduction from the specific financial asset.

**b. Financial Liabilities****Initial recognition and measurement:**

Financial liabilities are recognized initially at fair value plus any transaction cost that are attributable to the acquisition of the financial liability except financial liabilities at FVTPL that are measured at fair value.

**Subsequent Measurement:**

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial Liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

**Financial Liabilities at amortized cost:**

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount.

All the financial liabilities of the company are subsequently measured at amortised cost using effective interest method.

**De recognition of Financial Liabilities**

A financial liability shall be de recognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

**1.13. Foreign Currency Transactions:**

The functional and presentation currency of the Company is Indian Rupee. Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gains/losses arising on settlement as also on translation of monetary items are recognised in the Statement of Profit and Loss.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025

### 1.14. Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

### 1.15. Revenue Recognition:

Revenue is recognized when the significant risks and rewards of ownership are transferred to buyer. Revenue can be reliably measured and it is probable that future Economic benefits will flow to the Company.

#### a. Sale of Products:

Revenue from the sale of goods measured fair value of consideration received or receivable net of returns, trade discounts and allowances, and excluding taxes collected on behalf of Government.

#### b. Interest Income:

Interest on deposits with Government departments and financial Institutions are recognized in statement of profit and loss when the right to receive/receivable during the period.

### 1.16 Employee Benefits:

Short-term employee benefits are expensed as the related service is provided. A Liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### a. Defined Contribution Plans:

Contribution towards provident fund for employees is made to the regulatory authorities, where the company has no further obligations. Such benefits are classified as defined Contribution schemes as the company does not carry any further obligations, apart from the Contributions made on a monthly basis.

#### b. Defined benefit plans:

Gratuity liability is defined benefit obligation and is provided on the basis of an actuarial valuation on projected unit credit method made at the end of each year. The Company funds the benefit through contribution to LIC.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI) net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in Statement of profit and loss.

### 1.17. Taxes on Income:

#### Tax expense comprises of current and deferred tax:

- a. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Tax Act.
- b. Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025**1.18. Provisions:**

Provisions are recognized when, as a result of past event, the Company has a legal or constructive obligation; it is probable that an outflow of resources will be required to in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

**1.19. Contingent Liabilities:**

Contingent Liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that arises from past events where it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

**1.20. Claims:**

Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

**1.21. Offsetting:**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**1.22. Earnings per share:**

The Company presents basic and diluted earnings per share ('EPS') data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

**1.23. Cash flow statement:**

Cash flows are reported using the Indirect method. Whereby profit for the period is adjusted for effects of transactions of a non-cash nature. Any deferrals are accruals of past or future operating cash receipts or payments and item of Income or expenses associated with investing or financing cash flows. The cash flows from operating investing and financing activities of the company are segregated.

**1.24. Segment Reporting:**

The operations of the company are related to one segment i.e Hydraulic equipment.

**1.25. Events after Reporting date:**

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period., the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025**1.26. Recent Accounting Pronouncements:**

Standards issued but not yet effective:

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

**1.27. Critical Accounting Estimates and Judgments:**

The preparation of financial statements is in conformity with generally accepted accounting principles which require management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting period. Although these estimates are based upon management’s best knowledge of current events and actions, actual results could differ from these estimates. Revisions in accounting estimates are recognized prospectively.

The areas involving critical estimates or judgments are:

Estimates of useful life of property, plant and equipment and intangibles

Measurement of defined benefit obligation

Recognition of deferred taxes

Estimation of impairment

Estimation of provision and contingent liabilities

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025

## NOTE NO. 2 - PROPERTY, PLANT &amp; EQUIPMENT

(Figures in Rs Lakhs)

S. No.	Particulars	GROSS BLOCK			
		As at 01.04.2024	Additions	Deductions	As at 31.03.2025
<b>a. Land</b>					
	Land	870.36	-	-	870.36
<b>b. BUILDING</b>					
	Factory Buildings	2,373.71	18.25	-	2,391.96
	Other Buildings	379.16	-	-	379.16
<b>c. PLANT &amp; EQUIPMENT</b>					
	Water Works	4.31	-	-	4.31
	Electrical Installations	30.69	-	-	30.69
	Plant and Machinery	9,552.39	732.41	103.55	10,181.25
	Inspection & Testing Equipments	212.58	16.07	-	228.65
	Office Equipments	199.05	8.60	-	207.65
	Air conditioners	17.86	1.31	-	19.17
	Furniture & Fixtures	218.86	4.27	-	223.13
	Canteen Equipments	0.32	5.32	-	5.65
	Vehicles	27.58	98.36	27.40	98.54
	Material Handling Equipments	28.75	14.42	-	43.17
	<b>Sub Total</b>	<b>13,915.62</b>	<b>899.01</b>	<b>130.95</b>	<b>14,683.69</b>
<b>d. CAPITAL WORK IN PROGRESS</b>					
	Capital Work in progress	252.78	6.28	39.77	219.29
	<b>Sub Total</b>	<b>252.78</b>	<b>6.28</b>	<b>39.77</b>	<b>219.29</b>
<b>e. INTANGIBLE ASSETS</b>					
	Software	112.27	-	-	112.27
	<b>Sub Total</b>	<b>112.27</b>	<b>-</b>	<b>-</b>	<b>112.27</b>
	<b>Grand Total</b>	<b>14,280.67</b>	<b>905.30</b>	<b>170.72</b>	<b>15,015.25</b>
Land includes Rs. 4.74 crores yet to be registered. TSIIC Land in Pashamylaram.					
<b>Aging of Capital Work in Progress as on 31.03.2025</b>					
Particulars	<1 Year	1 - 2 years	2 - 3 years	> 3 Years	
<b>a. Projects in progress</b>					
1. Machinery	-	-	27.52	58.83	
<b>Sub Total</b>	<b>-</b>	<b>-</b>	<b>27.52</b>	<b>58.83</b>	
<b>b. Project temporarily suspended (Factory)</b>	6.28	-	-	126.66	
<b>Sub Total</b>	<b>6.28</b>	<b>-</b>	<b>-</b>	<b>126.66</b>	
<b>Total (A+B)</b>	<b>6.28</b>	<b>-</b>	<b>27.52</b>	<b>185.49</b>	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025

(Figures in Rs Lakhs)

D E P R E C I A T I O N				N E T B L O C K	
Upto On Assets Value	For the period on Assets value	Deductions	Upto 31.03.2025	As at 31.03.2025	As at 31.03.2024
				870.36	870.36
299.19	64.18	-	363.37	2,028.58	2,074.52
50.16	5.96	-	56.12	323.04	329.00
4.07	0.01	-	4.08	0.24	0.25
3.82	2.56		6.38	24.31	26.87
5,240.18	399.30	98.37	5,541.11	4,640.15	4,312.22
158.24	4.48	-	162.72	65.93	54.34
177.62	5.23	-	182.85	24.80	21.43
14.53	0.50	-	15.03	4.14	3.33
130.45	13.58	-	144.02	79.10	88.41
0.29	0.40	-	0.69	4.95	0.03
26.21	2.85	26.03	3.02	95.52	1.37
25.86	0.94	-	26.81	16.37	2.89
<b>6,130.60</b>	<b>500.00</b>	<b>124.40</b>	<b>6,506.20</b>	<b>8,177.49</b>	<b>7,785.02</b>
-	-	-	-	219.29	252.78
-	-	-	-	219.29	252.78
103.67	3.31	-	106.98	5.29	8.60
103.67	3.31	-	106.98	5.29	8.60
<b>6,234.27</b>	<b>503.31</b>	<b>124.40</b>	<b>6,613.18</b>	<b>8,402.07</b>	<b>8,046.40</b>
<b>Total</b>					
86.35					
<b>86.35</b>					
132.94					
<b>132.94</b>					
<b>219.29</b>					

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025**

Particulars	(Figures in Rs Lakhs)	
	AS AT 31-03-2025	AS AT 31-03-2024
<b>NOTE NO. 3</b>		
<b>OTHER FINANCIAL ASSET - NON CURRENT:</b>		
a) Rental Deposits	38.78	38.78
b) Security Deposits Recoverable (TSCPDCL & Telephones)	52.82	47.54
<b>TOTAL</b>	<b>91.60</b>	<b>86.32</b>
<b>NOTE NO. 4</b>		
<b>INVESTMENT</b>		
<b>i) Non Current Investments</b>		
<b>Investment in Equity Instruments (Unquoted)</b>		
<b>In subsidiary Company (at Cost)</b>		
Adan Holdings Ltd, U K , Two Equity shares (31st March 2024: 2 Equity shares of GBP 1 Each)	1,390.22	1,390.22
	<b>1,390.22</b>	<b>1,390.22</b>
<b>NOTE NO.5</b>		
<b>Other Non Current Assets</b>		
a) Advance for Capital Purchases		
b) Advance with Gratuity Fund (LIC Funded)	102.32	95.83
	43.24	-
<b>NOTE NO. 6</b>	<b>145.56</b>	<b>95.83</b>
<b>INVENTORIES:</b>		
As valued and Certified by the Management		
a) Raw Materials*		
(Valued at cost on weighted average method)	2,539.94	2,145.79
b) Finished Goods		
(Includes in transit Rs. 23.11 lakhs)	1,101.06	1,009.67
(Valued at cost on weighted average method or net realisable value which ever is less)		
c) Stores & Spares		
(Valued at cost on weighted average method)	214.12	191.63
d) Stock-in-Process		
(Valued at cost on weighted average method or realisable value which ever is less)	2,944.58	2,436.90
e) Jigs & Fixtures, Patterns and Tools & Implements		
	228.71	198.26
<b>TOTAL</b>	<b>7,028.41</b>	<b>5,982.25</b>
All inventories of the Company have been hypothecated to secure borrowings of the Company (refer note 16)		
<b>*Details of Raw materials</b>		
Steels		
Castings	567.28	580.87
Components (Domestic)	660.99	603.98
Imported Material	816.57	704.86
	495.10	256.08
<b>TOTAL</b>	<b>2,539.94</b>	<b>2,145.79</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025**

(Figures in Rs Lakhs)

Particulars	AS AT 31-03-2025	AS AT 31-03-2024
<b>NOTE NO. 7</b>		
<b>TRADE RECEIVABLES:</b>		
a) Trade receivables considered good- secured	-	-
b) Trade receivables considered good-Unsecured	3,230.67	2,807.07
c) Trade receivable which have significant increase in credit risk	-	-
d) Trade Receivable - credit impaired	45.61	45.61
<b>TOTAL</b>	<b>3,276.28</b>	<b>2,852.68</b>

**TRADE RECEIVABLE OUTSTANDING FOR THE FOLLOWING PERIODS FROM DUE DATE OF PAYMENT**

Particulars	Undisputed Trade receivable considered good	Undisputed trade receivables Credit impaired	Disputed trade receivables considered good	Disputed trade receivables Credit impaired	Total
<b>Balance as at March 31, 2025</b>					
<6months	3,107.67	-	-	-	3,107.67
6 months to 1 year	19.39	-	-	-	19.39
1 - 2 Years	98.98	-	-	-	98.98
2 - 3 Years	46.14	-	-	-	46.14
> 3 Years	14.52	26.97	-	45.61	87.10
<b>TOTAL</b>	<b>3,286.70</b>	<b>26.97</b>	<b>-</b>	<b>45.61</b>	<b>3,359.28</b>
Less: ECL/Provision for doubtful debts	37.39	-	-	45.61	83.00
<b>TOTAL</b>	<b>3,249.31</b>	<b>26.97</b>	<b>-</b>	<b>-</b>	<b>3,276.28</b>
<b>As on 31-03-24</b>					
<6months	2,599.52	-	-	-	2,599.52
6 months to 1 year	55.93	-	-	-	55.93
1 - 2 Years	114.43	-	-	-	114.43
2 - 3 Years	15.80	-	-	-	15.80
> 3 Years	21.68	40.71	-	45.61	108.00
<b>TOTAL</b>	<b>2,807.36</b>	<b>40.71</b>	<b>-</b>	<b>45.61</b>	<b>2,893.68</b>
Less: ECL/Provision for doubtful debts	41.00	-	-	-	41.00
<b>TOTAL</b>	<b>2,766.36</b>	<b>40.71</b>	<b>-</b>	<b>45.61</b>	<b>2,852.68</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025**

(Figures in Rs Lakhs)

Particulars	AS AT 31-03-2025	AS AT 31-03-2024
<b>NOTE NO. 8</b>		
<b>CASH AND CASH EQUIVALENTS:</b>		
a) Balances With Scheduled Bank Accounts:		
In Current Accounts	2.23	4.89
In Cash Credit - (Debit Balance)	556.57	-
b) Cash on Hand	0.16	0.05
c) Fixed Deposits - With maturity Less than 3 months	16.86	16.16
<b>TOTAL</b>	<b>575.82</b>	<b>21.10</b>
<b>NOTE NO. 9</b>		
<b>OTHER BANK BALANCES CURRENT:</b>		
a) Bank Deposits with maturity period less than 12 months	3,797.53	3,649.75
b) Balance with Banks against Dividends payments	50.98	73.68
c) Balance With Banks as fixed deposits, LC's and BG's	25.61	18.43
<b>TOTAL</b>	<b>3,874.12</b>	<b>3,741.86</b>
<b>NOTE NO.10</b>		
<b>SHORT TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)</b>		
Staff advances	11.52	11.44
<b>TOTAL</b>	<b>11.52</b>	<b>11.44</b>
<b>NOTE NO.11</b>		
<b>OTHER FINANCIAL ASSETS - CURRENT:</b>		
a) Security deposits recoverable	104.11	86.94
b) Interest Accrued	36.07	49.15
<b>TOTAL</b>	<b>140.18</b>	<b>136.09</b>
<b>NOTE NO.12</b>		
<b>OTHER CURRENT ASSETS:</b>		
<b>Unsecured, considered good</b>		
a) Advance for purchase of Raw materials & Stores	179.30	286.47
b) Pre-paid Expense	38.30	32.69
c) Claim Receivable (VAT)	194.06	194.06
d) G S T Receivable	288.56	233.34
e) Other Receivable	1.42	1.14
<b>TOTAL</b>	<b>701.64</b>	<b>747.70</b>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025

## NOTE NO. 13

(Figures in Rs Lakhs)

SHARE CAPITAL:	AS AT 31-03-2025		AS AT 31-03-2024	
	Numbers	Rs.	Numbers	Rs.
<b>A. AUTHORISED</b>				
Equity Shares of Rs 10/- each	60,00,000	600.00	30,00,000	300.00
	60,00,000	600.00	30,00,000	300.00
<b>B. ISSUED, SUBSCRIBED AND PAID UP</b>				
Equity Shares of Rs 10/- each fully paid up	45,00,000	450.00	22,50,000	225.00

**C. Terms / rights attached to equity shares**

"The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder."

**D.Reconciliation of the shares out standing at the beginning and at the end of Year:**

Particular	As At 31st March 2025		As At 31st March 2024	
	No of Shares held	Rs. in Lakhs	No of Shares held	Rs. in Lakhs
At the beginning of the year	22,50,000	225.00	22,50,000	225.00
Bonus Issue of Equity Shares ( Refer Note E Below)	22,50,000	225.00	-	-
Share redeemed/bought back during the Year	-	-	-	-
Shares outstanding at the end of the Year	45,00,000	450.00	22,50,000	225.00

**E. Bonus Shares issued during the current financial year**

During the current year, pursuant to approval given by the shareholders in the Extraordinary General Meeting held on 6th May 2024, the Company had Issued 22,50,000 fully paid up bonus equity shares of Rs. 10 each in the ratio of one equity share of Rs. 10 each for every one existing equity share of Rs. 10 each. As a result of the bonus issue, the paid up share capital of the Company has increased to Rs. 450.00 lakhs from Rs. 225.00 lakhs.

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

Name of the Share Holder	As At 31st March 2025		As At 31st March 2024	
	No of Shares held	% of Holding	No of Shares held	% of Holding
<b>Equity Shares</b>				
V Chukkamamba	8,82,940	19.62	5,97,139	26.54
V C Janardan Rao	6,19,506	13.77	3,09,753	13.77
Veljan Investments Ltd	4,87,900	10.84	2,43,950	10.84
Gangadhar Srinivas Velamati	4,06,858	9.04	-	-
Veljan Hydrair Limited	3,39,660	7.55	1,69,830	7.55



**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025**
**G. Details of Shareholding of Promoters**

(Figures in Rs Lakhs)

**Shares held by Promoters at the end of the year**

Promoter Name	AS AT 31-03-2025 No. of Shares	% of total shares	% Change during the year
V Chukkamamba	8,82,940	19.62	47.86
V C Janardan Rao	6,19,506	13.77	100.00
Veljan Investments Ltd	4,87,900	10.84	100.00
Gangadhar Srinivas Velamati	4,06,858	9.04	751.88
Veljan Hydrair Limited	3,39,660	7.55	100.00
Umadevi Uppaluri	2,21,668	4.93	100.00
Sarojinidevi Kilaru	1,99,704	4.44	100.00
Lalithadevi Sanjay Jayavarthanavelu	1,96,170	4.36	100.00
Suxus Systems Ltd	13,104	0.29	100.00
JDM Hydropneumatics Limited	6,684	0.15	100.00
<b>Total</b>	<b>33,74,194</b>	<b>74.99</b>	<b>-</b>

**Shares held by Promoters at the end of the year**

Promoter Name	AS AT 31-03-2024 No. of Shares	% of total shares	% Change during the year
V Chukkamamba	5,97,139	26.54	-
V C Janardan Rao	3,09,753	13.77	-
Veljan Investments Ltd	2,43,950	10.84	-
Veljan Hydrair Limited	1,69,830	7.55	-
Umadevi Uppaluri	1,10,834	4.93	-
Sarojinidevi Kilaru	99,852	4.44	-
Lalithadevi Sanjay Jayavarthanavelu	98,085	4.36	-
Gangadhar Srinivas Velamati	47,760	2.12	-
Suxus Systems Ltd	6,552	0.29	-
JDM Hydropneumatics Limited	3,342	0.15	-
<b>Total</b>	<b>16,87,097</b>	<b>74.99</b>	<b>-</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025**

Particulars	(Figures in Rs Lakhs)	
	AS AT 31-03-2025	AS AT 31-03-2024
<b>NOTE NO. 14</b>		
<b>OTHER EQUITY:</b>		
<b>a) Security Premium</b>		
At the beginning and at the end of the period	45.00	45.00
<b>Closing Balance</b>	<u>45.00</u>	<u>45.00</u>
<b>b) Capital Redemption Reserve</b>		
At the beginning and at the end of the period	3.00	3.00
<b>Closing Balance</b>	<u>3.00</u>	<u>3.00</u>
<b>c) Investment Allowance Reserved</b>		
At the beginning and at the end of the period	12.80	12.80
<b>Closing Balance</b>	<u>12.80</u>	<u>12.80</u>
<b>d) General Reserve</b>		
At the beginning and at the end of the period	18,891.04	17,588.33
Add: Current Year Transfer	1,798.26	1,302.71
<b>Closing Balance</b>	<u>20,689.30</u>	<u>18,891.04</u>
<b>e) Retained Earnings</b>		
At the beginning of the year	877.50	436.18
Add: Profit For the year	2,247.51	2,036.53
Other comprehensive income for the year (net of tax)"	43.63	-
<b>Total Surplus</b>	<u>3,168.64</u>	<u>2,472.71</u>
Less: Appropriations:		
Dividend on Equity Shares	382.50	292.50
Transfer to General Reserve	1,798.26	1,302.71
Transfer on Issue of Bonus Shares	225.00	-
<b>At the end of the period</b>	<u>762.88</u>	<u>877.50</u>
		-
<b>TOTAL</b>	<u><u>21,512.98</u></u>	<u><u>19,829.34</u></u>
<b>NOTE NO. 15</b>		
<b>LONG TERM BORROWING</b>		
a) Vehicle Loan	30.76	-
<b>TOTAL</b>	<u><u>30.76</u></u>	<u><u>-</u></u>

**Security and Terms of Repayment:**

The above vehicle loan secured by hypothecation of the respective vehicle. The Vehicle Loan carries an interest rate of 8.76% p.a and payable in 36 Equated Monthly Installments of Rs. 1.57 Lakhs.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025**

(Figures in Rs Lakhs)

Particulars	AS AT 31-03-2025	AS AT 31-03-2024
<b>NOTE NO. 16</b>		
<b>SHORT TERM BORROWING:</b>		
<b>SECURED</b>		
1. Working Capital Loans :		
a) Cash Credit From : Canara Bank	-	274.70
b) Cash Credit From : H D F C Bank Ltd	43.68	391.82
c) Cash Credit From : H S B C Bank Ltd	719.43	27.45
<b>TOTAL</b>	<b>763.11</b>	<b>693.97</b>
<b>2. Current meturities of long term debit (refer note no.15)</b>	<b>16.78</b>	<b>-</b>
<b>TOTAL</b>	<b>16.78</b>	<b>-</b>
<b>TOTAL</b>	<b>779.89</b>	<b>693.97</b>

Working Capital Loans from banks are Canara Bank and HDFC Bank, HSBC Bank. The Loans are repayable on demand, which are secured on pari pasu basis by hypothication of Raw Materials, Work-in-Process, Finished Goods, Stores&spares and Book Debts and second charges on the fixed Assets of the Company. Further guatanteed by One Director of the company in the Capacity to the extent of Rs. 2,000 Lakhs(excluding HSBC Bank).

**NOTE NO. 17**
**TRADE PAYABLES:**
**Sundry creditors**

a) Micro and Small and Medium Enterprises	839.21	605.50
b) Other than Micro and Small Enterprises	373.44	280.85
<b>TOTAL</b>	<b>1212.65</b>	<b>886.35</b>

**Note No. 17a Trade payable aging Schedule**

Particulars	Unbilled dues	< 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
<b>As on 31.03.2025</b>						
i. MSME	-	839.21	-	-	-	839.21
ii. Others	-	347.44	6.98	5.27	13.75	373.44
iii. Disputed dues MSME	-	-	-	-	-	-
iv. Disputed dues others	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>1186.65</b>	<b>6.98</b>	<b>5.27</b>	<b>13.75</b>	<b>1,212.65</b>
<b>As on 31.03.2024</b>						
i. MSME	-	605.50	-	-	-	605.50
ii. Others	-	262.09	5.34	2.67	10.75	280.85
iii. Disputed dues MSME	-	-	-	-	-	-
iv. Disputed dues others	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>867.59</b>	<b>5.34</b>	<b>2.67</b>	<b>10.75</b>	<b>886.35</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025**

(Figures in Rs Lakhs)

Particulars	AS AT 31-03-2025	AS AT 31-03-2024
<b>NOTE NO. 18</b>		
<b>OTHER FINANCIAL LIABILITIES - CURRENT:</b>		
a) Unclaimed Dividends	50.98	73.68
b) Creditors for Capital Purchases	52.29	64.15
c) Creditors - Expenses	836.67	685.27
<b>TOTAL</b>	<b>939.94</b>	<b>823.10</b>

**NOTE NO. 19**
**OTHER CURRENT LIABILITIES:**

a) Advance from Customers	54.95	55.31
b) Statutory Liabilities		
i. Tax Deducted at Source	11.57	10.88
ii. Goods and Service Tax	237.69	226.46
iii. Other Statutory Dues	10.20	9.66
<b>TOTAL</b>	<b>314.40</b>	<b>302.31</b>

Particulars	Current Year 31-03-2025	Previous Year 31-03-2024
<b>NOTE NO.20</b>		
<b>REVENUE FROM OPERATIONS :</b>		
<b>Sale of Products</b>		
Pumps,Motors , Valves & Spares	14,125.78	12,392.48
Scrap Sales	32.23	32.98
<b>TOTAL</b>	<b>14,158.01</b>	<b>12,425.46</b>
<b>Notes:</b>		
<b>a) Reconciliation of revenue as per contract price and as recognised in Statement of Profit and Loss:</b>		
Revenue as per contracted price	14,161.39	12,427.66
Less: Discounts	(3.38)	(2.20)
<b>Revenue from contract with customers</b>		
<b>b) The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers:</b>	<b>14,158.01</b>	<b>12,425.46</b>
Trade Receivables (Refer Note 7)	3,276.28	2,852.68
Contract Liabilities (Refer Note 19)	54.95	55.31

The contract liabilities primarily relate to the advance consideration received from the customers.

**c) Performance obligation:**

All sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/ delivery. The Company does not have any remaining performance obligation for sale of goods or rendering of services which remains unsatisfied as at March 31, 2025 and March 31, 2024.

**d) Disaggregation of revenue:**

Refer Note 54 for disaggregated revenue information. The management determines that the segment information reported is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 "Revenue from contract with customers".

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025**

Particulars	(Figures in Rs Lakhs)	
	Current Year 31-03-2025	Previous Year 31-03-2024
<b>NOTE NO. 21</b>		
<b>OTHER INCOME :</b>		
<b>A. INTEREST INCOME ON</b>		
a) Margin Money & Fixed Deposits	264.66	248.02
<b>B. OTHER NON - OPERATING INCOME</b>		
a) Miscellaneous receipts	4.90	7.68
b) Excess provision written back	-	0.47
c) Credit Balances written Back	8.00	15.56
<b>TOTAL</b>	<b>277.56</b>	<b>271.73</b>
<b>NOTE NO. 22</b>		
<b>COST OF MATERIALS CONSUMED* :</b>		
Opening Stock	2,145.79	1,993.25
Add: Purchases	6,160.80	5,161.86
	8,306.59	7,155.12
Less Closing stock	2,539.94	2,145.79
<b>TOTAL</b>	<b>5,766.65</b>	<b>5,009.33</b>
<b>Imported and Indigeneous Raw material Consumed</b>		
Imported	248.64	301.17
% of Consumption	4.31	6.01
Indigeneous	5,518.01	4,708.16
% of Consumption	95.69	93.99
<b>TOTAL</b>	<b>5,766.65</b>	<b>5,009.33</b>
<b>*Details of Raw Material Consumed</b>		
Steels Consumed	774.20	664.10
Castings Consumed	2,215.45	1,882.04
Components Consumed	2,528.36	2,162.02
Imported Raw Material Consumed	248.64	301.17
<b>TOTAL</b>	<b>5,766.65</b>	<b>5,009.33</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025**

Particulars	(Figures in Rs Lakhs)	
	Current Year 31-03-2025	Previous Year 31-03-2024

**NOTE NO. 23**
**CHANGES IN INVENTORIES OF STOCK IN TRADE AND STOCK IN PROCESS:**
**(Increase)/Decrease of Stocks**

Stock in Trade at the beginning of the period	1,009.67	966.79
Stock-in-Process at the beginning of the period	2,436.90	1,906.48
<b>TOTAL</b>	<b>3,446.57</b>	<b>2,873.27</b>
Stock in Trade at the end of the period	1,101.06	1,009.67
Stock-in-Process at the end of the period	2,944.57	2,436.90
<b>TOTAL</b>	<b>4,045.63</b>	<b>3,446.57</b>
<b>(Increase) / Decrease in Stocks</b>	<b>(599.06)</b>	<b>(573.31)</b>

**NOTE NO.24**
**EMPLOYEE BENEFITS EXPENSE**

a) Salaries, Wages and Bonus	1,179.71	1,093.70
b) Contribution to Provident Fund	48.23	47.90
c) Workmen & Staff Welfare Expenses	68.10	35.22
d) Group Gratuity & Deposit Linked Insurance	28.44	31.83
e) Contribution to Employee State Insurance	11.46	11.06
<b>TOTAL</b>	<b>1,335.94</b>	<b>1,219.71</b>

**NOTE NO.25**
**FINANCE COST:**

Interest on Working Capital & Other Loans	27.18	83.81
Bank Charges	16.67	17.72
<b>TOTAL</b>	<b>43.85</b>	<b>101.53</b>

**NOTE NO.26**
**DEPRECIATION & AMORTISATION EXPENSE:**

a) Depreciation on Property, Plant & Equipment	500.00	472.05
b) Amortisation of Intangible Assets	3.31	3.40
<b>TOTAL</b>	<b>503.31</b>	<b>475.45</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025**

Particulars	(Figures in Rs Lakhs)	
	Current Year 31-03-2025	Previous Year 31-03-2024

**NOTE NO. 27**
**OTHER EXPENSES:**

Job Expenses	2,263.31	2,003.14
Stores Consumed	487.65	449.47
Packing Material Consumed	185.83	176.12
Carriage Inward	96.21	92.77
Power and Fuel	329.43	269.26
Repairs & Maintenance		
Building	16.66	9.65
Plant and Machinery	119.05	59.85
Others	129.01	96.40
Tools & Dies written off	26.17	22.72
Rent	56.26	56.26
Licenses and Taxes	17.20	41.87
Insurance	30.20	32.95
Printing & Stationery	15.72	13.84
Postage & Telephones	4.93	5.49
Travelling & Conveyance	39.41	32.55
Foreign Travelling Expenses	7.62	9.79
Vehicle Maintenance	4.78	6.91
Professional & Legal Charges	38.23	33.49
Selling & Distribution Expenses	24.70	23.30
Advertisement	65.70	0.47
Remuneration to Auditors:		
For Audit Fees	4.50	4.50
For Tax Audit Fees	1.50	1.50
Donations	0.12	0.12
C S R Expenses (Refer Note 33)	44.87	26.73
General Expenses	75.45	83.07
Loss on Sale of fixed assets	2.45	7.45
R & D Expenditure	85.13	83.61
ECL/Provision for Doubtful Debts Expenses	42.00	41.00
Bad Debts Written Off	39.80	49.24
Penalties	56.89	-

**TOTAL**
**4,310.78**
**3,733.52**



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025

## NOTE NO. 28

(Figures in Rs Lakhs)

## 1. Reconciliation of Tax Expenses

## INCOME TAX:

Particulars	Current Year 31-03-2025	Previous Year 31-03-2024
<b>Amount recognized in statement of</b>		
Profit and Loss account		
Current Tax	737.69	673.83
Earlier Year	6.96	-
Deferred tax	81.94	20.61
<b>Total Income Tax Expense</b>	<b>826.59</b>	694.44
<b>Reconciliation of effective tax rate</b>		
Profit before tax	3,074.10	2,730.97
Enacted Tax Rate in India	25.17%	25.17%
Computed Tax Expense at Enacted tax in India	773.69	687.33
Effect of non-deductible expenses	25.61	6.76
Effect of Earlier Year Taxes	6.96	-
Others	20.33	0.35
<b>Total</b>	<b>826.59</b>	694.44
<b>Effective tax rate</b>	<b>26.89</b>	25.43

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025**
**NOTE NO. 29**

(Figures in Rs Lakhs)

**2. DEFERRED TAX LIABILITIES (NET):**

Particulars	AS AT 31-03-2025	AS AT 31-03-2024
<b>Deferred Tax Liabilities on:</b>		
Property, Plant and Equipment	<b>504.92</b>	437.47
Advance with Gratuity Fund		
<b>Deferred Tax Asset on:</b>		
Expenditure allowable on payment basis under Section 43B of Income Tax Act, 1961	<b>(53.89)</b>	(83.05)
<b>Deferred Tax Liability (Net)</b>	<b>451.03</b>	354.42

**B. Movement in deferred tax liabilities**

Particulars	Balance as on April 01, 2024	Recognised in P & L	Recognised in OCI	Balance as on March 31, 2025
<b>Deferred Tax Liabilities on:</b>				
Property, Plant and Equipment	437.47	67.45	-	504.92
<b>Deferred Tax Asset on:</b>				
Expenditure allowable on payment basis under Section 43B of Income Tax Act, 1961	83.05	(14.49)	(14.67)	53.89
Net deferred tax charge/(income) and deferred tax liabilities	354.42	81.94	14.67	451.03

**NOTE NO.30**
**Fair Value Measurement Hierarchy:**

Valuation techniques with significant unobservable inputs:

This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The following table provide the fair value measurement hierarchy of the company's assets and liabilities.

Quantitative disclosures of fair value measurement hierarchy as at March 31, 2025

Particulars	Fair Value hierarchy (level)	As at 31-03-2025	As at 31-03-2024
<b>Financial Asset measured at amortized cost</b>			
Loans to employees	3	<b>11.52</b>	11.44
Security Deposits	3	<b>38.78</b>	38.78

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025

## NOTE NO. 31

(Figures in Rs Lakhs)

**Financial Risk Management:**

The Company's activities expose it to market risk, credit risk and liquidity risk. Company's overall risk management focus on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

**I. Market Risk**

Market risk is the risk of loss of the future earnings, fair values or future cash flows that may result from a change in the price of a financial instruments. The value of a financial instrument may change as a result of changes in the interest rates. Foreign currency exchange rates, commodity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including instruments and deposits, foreign currency receivables, payable and borrowings.

**II. Commodity Risk**

Commodity price risk arises due to fluctuation in raw material (fifer prices) linked to various external factors, which can affect the production cost of the Company. The Company actively manages inventory and un may cases sale prices are linked to major raw material prices. These risks are reviewed and managed by senior management on continuous basis.

**III. Credit Risk:**

Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk its operating activities (primarily trade receivables) and from its financing/ investing activities including deposits with banks. The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. The company is receiving payments regularly from its customers and hence the Company has no significant credit risk.

**IV. Liquidity Risk**

Liquidity risk is defined as the risk that the company will not be able to settle or meet obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and karketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company 's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processess and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts based on expected cash flows.

**V. Technology Risk**

The Company operates in a highly technical field with constant innovation and continuous evolution in technologies used. The company mitigates this risk through regular contact with customers, regular reviews of new technological trends, continuous improvement and investment in its manufacturing practices, along with investments in research, design, and development.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025**
**NOTE NO.32**

(Figures in Rs Lakhs)

**Capital Management:**
**The Company's objectives when managing capital are to:**

1. Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and the benefits for other stakeholders.
2. Maintain an optimal capital structure to reduce the cost of Capital Consistent with others in industry, the company monitors capital on the basis of the following gearing ratio:

**Debt/to equity ratio**

Particulars	As at 31-03-2025	As at 31-03-2024
Debt	<b>810.65</b>	693.97
Equity	<b>21,962.98</b>	20,054.34
Debt to equity ratio	<b>0.04</b>	0.03

No changes were made in the objectivers, policies or processes for managing capital during the years ended 31 March, 2025 and 31 March, 2024

**NOTE NO. 33**
**CORPORATE SOCIAL RESPONSIBILITY:**

As per section 135 of the Companies Act 2013, a Company has to spend 2% of its average net profits of three immediate preceding financial Years as details below.

Particulars	Year Ended 31-03-2025	Year Ended 31-03-2024
a) Gross amount required to be spent by the Company during the year	<b>46.85</b>	34.62
b) Amount spent during the year on construction/acquisition of any asset	-	-
c) Amount spent during the year other than (b) above	<b>43.56</b>	26.73
d) Set off of previous year carry forward amount against the shortfall	<b>3.29</b>	7.89
e) Short fall at the end of the year	-	-
f) Details of related part transaction	-	-
g) Nature of CSR Activities	a) Eradicating Hunger, Poverty and malnutrition activities b) Disaster Management activities c) Other Activities	

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025**
**NOTE NO. 34**

(Figures in Rs Lakhs)

**CONTINGENT LIABILITIES & COMMITMENT**

Particulars	As at 31-03-2025	As at 31-03-2024
<b>A. Contingent Liabilities not provided for on account of</b>		
1) Towards Guarantees and Letters of credit issued by bank to the extent of	<b>174.92</b>	75.00
2) Goods and Service Tax Matters	<b>145.17</b>	143.86
<b>B. Commitments Capital Commitment</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	<b>71.36</b>	10.88

**NOTE NO. 35**
**Employee benefits plan**
**a) Defined contribution plans**

Refer Note 24 for the Company's contribution to the defined contribution plans with respect to employee benefit funds i.e Provident Fund and Employees' State Insurance Scheme.

**b) Defined benefit plan**

The Company has a defined benefit gratuity plan (funded). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service, managerial grade and salary at retirement age.

**1. Changes in Present Value of obligations as on 31/03/2025**

Particulars	Year Ended 31-03-2025	Year Ended 31-03-2024
Present Value of Obligations at the beginning of the year	<b>160.37</b>	137.03
Interest Cost	<b>12.58</b>	9.94
current Service Cost	<b>15.06</b>	17.56
Benefits paid	<b>(17.49)</b>	(4.16)
Actuarial Loss on Obligation	<b>(28.94)</b>	
<b>Present Value of Obligation at the end of the year</b>	<b><u>141.58</u></b>	<u>160.37</u>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025**

(Figures in Rs Lakhs)

**Changes in the fair value of Plan Assets**

<b>Particulars</b>	<b>Year Ended 31-03-2025</b>	<b>Year Ended 31-03-2024</b>
Fair Value of plan assets at the beginning of the year	<b>188.94</b>	158.88
Return on plan assets	<b>12.58</b>	12.06
Contributions by the employer	-	18.01
Benefits paid	<b>(17.49)</b>	-
Actuarial (gain)/loss on plan assets	<b>0.79</b>	-
fair value of plan assets as at the end of the Year	<b><u>184.82</u></b>	<u>188.95</u>

**Calculation of benefit liability / (asset)**

<b>Particulars</b>	<b>Year Ended 31-03-2025</b>	<b>Year Ended 31-03-2024</b>
Defined benefit obligation	<b>141.58</b>	188.94
Fairvalue of plan assets	<b>184.82</b>	188.94
Net defined benefit liability/(asset) as at the end of the year	<b><u>(43.24)</u></b>	<u>0.00</u>

**Assumptions**

<b>Particulars</b>	<b>Year Ended 31-03-2025</b>	<b>Year Ended 31-03-2024</b>
Discount Rate	<b>6.98%</b>	7.25%
Salary Growth Rate	<b>5.00%</b>	7.00%
Expected Rate of Return on Plan Assets	<b><u>6.98%</u></b>	<u>-</u>

**NOTE NO. 36**
**EARNINGS PER EQUITY SHARE:**

<b>Particulars</b>	<b>Year Ended 31-03-2025</b>	<b>Year Ended 31-03-2024</b>
a) Net Profit after tax attributable to equity shareholders	<b>2,247.51</b>	2036.53
b) Weighted average number of equity shares of Rs10/- each (in Numbers) (Refer note below)	<b>45,00,000</b>	45,00,000
c) Earning per Equity Share (face value of Rs. 10 each) (Basic and Diluted) a / b (In Rupees)	<b><u>49.94</u></b>	<u>45.26</u>

**Note:**

During the current year, pursuant to approval given by the shareholders in the Extraordinary General Meeting held on 6th May 2024, the Company had Issued 22,50,000 fully paid up bonus equity shares of Rs. 10 each in the ratio of one equity share of Rs. 10 each for every one existing equity share of Rs. 10 each. Earnings per share of comparative year have been duly adjusted for the same.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025**
**NOTE NO. 37**

(Figures in Rs Lakhs)

**ANALYTICAL RATIOS:**

S.No.	Ratio	Period	Numerator	Denominator	As at 31-03-2025	As at 31-03-2024	% of Variance
1.	Current Ratio	2025	15,662	3,247	4.82		
		2024	13,496	2,706		4.99	3.29
2.	Debt-Equity Ratio	2025	811	21,963	0.04		
		2024	694	20,054		0.03	(6.66)
3.	Debt Service Coverage Ratio	2025	-	-	-		
		2024	-	-		-	-
4.	Return on Equity Ratio	2025	2,248	21,009	0.11		
		2024	2,037	19,182		0.11	(0.77)
5.	Inventory Turnover Ratio	2025	14,158	6,505	2.18		
		2024	12,425	5,621		2.21	1.55
6.	Trade Receivables Turnover Ratio	2025	14,158	3,064	4.62		
		2024	12,425	2,832		4.39	(5.28)
7.	Trade Payables Turnover Ratio	2025	6,161	1,050	5.87		
		2024	5,162	947		5.45	(7.70)
8.	Net Capital Turnover Ratio	2025	14,158	12,415	1.14		
		2024	12,425	10,886		1.14	0.09
9.	Net Profit Ratio	2025	2,248	14,158	0.16		
		2024	2,037	12,425		0.16	3.15
10.	Return on Capital Employed Ratio	2025	3,118	23,219	0.13		
		2024	2,832	21,094		0.13	0.00
11.	Return on Investment Ratio	2025	139	1,390	0.81		
		2024	171	1,390		0.12	5.62



**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025****NOTE NO. 38**

(Figures in Rs Lakhs)

Title deeds of immovable properties:

The title deeds of all the immovable properties, as disclosed in note no.2 to the financial statements, are held in the name of the Company.

**NOTE NO. 39****Valuation of Property Plant & Equipment, intangible asset:**

The Company has not revalued its property, plant and equipment or intangible assets or both during the current year.

**NOTE NO. 40****Loans or advances to specified persons:**

No loans or advances in the nature of loans are granted to Promoters, Directors, Key Management Personnels and the related parties(as defined under Companies Act,1913) either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.

**NOTE NO. 41****Details of benami property held:**

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act,1988 (45 of 1988) and rules made thereunder.

**NOTE NO. 42****Borrowing secured against current assets:**

The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.

**NOTE NO. 43****Wilful defaulter:**

The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

**NOTE NO. 44****Relationship with struck off Companies:**

The Company has no transactions with the Companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025**
**NOTE NO. 45**

(Figures in Rs Lakhs)

**Registration of charges or satisfaction with Registrar of Companies (ROC):**

The Company do not have any charges to be registered as at March 31, 2025 with the Registrar of Companies (ROC). However, as per the records available on the ROC portal, the below charges which were created by the Company in earlier years for borrowings availed are still appearing as unsatisfied. The Company is in the process of obtaining no-dues certificates/ other relevant documents from the respective lenders for taking the required action.

Charge holder name	Amount	Charge holder name	Amount
The Industrial Credit and Investment Corporation of India Ltd	10.00	The industrial credit and investment corporation of India Ltd	5.00
Syndicate Bank	2.00	Syndicate Bank	2.00
The Industrial Credit and Investment Corporation of India Ltd	9.00	The Industrial Credit and Investment Corporation of India Ltd	37.50
Syndicate Bank	2.00	Syndicate Bank	24.00
Syndicate Bank	25.00	A.P. State financial Corporation	37.50
A.P. State financial Corporation	5.06	Andhra Bank	147.06
A.P. State financial Corporation	377.50	HDFC Bank Limited	1,290.00

**NOTE NO. 46**
**Compliance with number of layers of companies:**

The Company has complied with the number of layers prescribed under the Section 2 (87) of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017.

**NOTE NO. 47**
**Compliance with approved scheme(s) of arrangements:**

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

**NOTE NO. 48**
**Utilisation of borrowed funds and share premium:**

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**NOTE NO. 49**
**Undisclosed income:**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded previously in the books of account.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025**
**NOTE NO. 50**

(Figures in Rs Lakhs)

**Details of crypto currency or virtual currency:**

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

**NOTE NO. 51**
**Utilisation of borrowings availed from banks and financial institutions:**

The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.

**NOTE NO. 52**
**Disclosure of Related party Transaction (As per Ind AS)**
**A. Key Management Personnel (KMP)**

Sri. V.C Janardan Rao	CMD (Till 29.09.2024)
Sri U. Sri Krishna	Whole-Time-Director (Executive)
Sri B. Narahari (Till 23.12.24)	Company Secretary and Compliance Officer
Mrs. K. Ramyanka Yadav ( w.e.f 13.02.2025)	Company Secretary and Compliance Officer
Sri G. Subba Rao	CFO

**B. Non- Executive Directors**

Sri B.S. Srinivasan (Till 29.09.2024)	Non-Executive and Non-Independent Director
Sri Srinivas VG	Non-Executive and Non-Independent Director
Smt U. Uma Devi	Independent Director
Sri G. Narayana Rao	Independent Director
Sri A. Suresh	Independent Director
Sri Manish Mohan Motwani	Independent Director

**C. Subsidiaries**

Adan Holdings Limited	Subsidiary Company
Adan Limited	Step Down Subsidiary

**D. Entities in which the Key Management and their relations are interested**

M/s. Veljan Hydrair Ltd.  
 M/s. Veljan Investments Ltd.  
 M/s. Suxus Systems Ltd.  
 M/s. JDM Hydro Pnuematics Ltd.  
 M/s. Ecmat Limited

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025**
**A. Transactions during the year**

(Figures in Rs Lakhs)

Particulars	Key Management Personnel*		Directors*		Enterprises in which the Key Management Personnel and their relatives are interested	
	Current Year 31-03-2025	Previous Year 31-03-2024	Current Year 31-03-2025	Previous Year 31-03-2024	Current Year 31-03-2025	Previous Year 31-03-2024
<b>i) Short-term employee benefits:</b>						
Remuneration	42.09	35.03	8.80	7.15	-	-
Commission	84.51	74.69	33.80	29.88	-	-
<b>ii) Sale of Goods:</b>						
Veljan Hydrair Limited					5,294.72	5,065.57
Ecmat Limited					1.00	0.08
Suxus Systems Limited					22.17	19.94
Adan Limited UK					63.58	77.46
<b>iii) Purchase of Raw Materials, Goods &amp; Expenses</b>						
Veljan Hydrair Limited					40.58	73.24
Suxus Systems Limited					2,260.38	1,844.50
Adan Limited UK					68.70	8.59
<b>iv) Rent Paid or Payable:</b>						
Veljan Investments Limited					60.83	60.83
<b>v) Job Work Expenses:</b>						
Ecmat Limited					2,501.79	2,187.65
<b>B. Balances as at 31.03.2025</b>						
Payables	86.94	78.15	33.80	29.88	728.89	515.51
Receivables					1,480.68	1,241.31

\* Post Employee Benefits are actuarially determined on overall basis and hence not separately provided

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025**
**NOTE NO. 53**

(Figures in Rs Lakhs)

**DUE TO MICRO, SMALL & MEDIUM ENTERPRISES:**

The Micro, Small and Medium Enterprises have been identified on the basis of the information available with the company. This has been relied upon by the auditors. Due to such parties are given below.

Particulars	As at 31-03-2025	As at 31-03-2024
a) The principal amount remaining unpaid as at the end of the year	<b>839.21</b>	605.50
b) The amount of interest accrued & remaining unpaid at the end of the year	-	-
c) Amount of interest paid by the company in term of section 16, of (MSMED Act, 2006) along with the amounts of payments made beyond the appointed date during the year.	-	-
d) Amount of interest due and payable for the period of delay in making payment without the interest specified under the (MSMED Act, 2006	-	-
e) The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the (MSMED Act, 2016).	-	-

**NOTE NO. 54**
**Segment information**

The Company deals in only one business segment of manufacturing and sale of Hydraulics products and the Chief Operating Decision Maker (CODM) reviews the operations of the Company as a whole, hence there is no reportable segments as per Ind AS 108 "Operating Segments". The management considers that the various goods provided by the Company constitutes single business segment, since the risk and rewards from these products are not different from one another. However the Company has disclosed the following geographical information as follows:

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025**
**Geographic information**

(Figures in Rs Lakhs)

**a) Revenue from external customers**

Particulars	Year Ended 31.03.2025	Year Ended 31.03.2024
Within India	14,094.43	12,348.00
Outside India	63.58	77.46
<b>Total</b>	<b><u>14,158.01</u></b>	<b><u>12,425.46</u></b>

**b) Segment Assets**

Non-Current Operating Assets*	Year Ended 31.03.2025	Year Ended 31.03.2024
Within India	16277.67	14872.17
Outside India	-	-

\*Other than financial assets, deferred tax assets, Income Tax Asset

**c) Information about major customers**

There is 1 customer who individually contribute more than 10 percent of the entity's revenue.

**Note No.55**
**Subsequent Events**

The Board of Directors in their meeting held on 30th May 2025 have proposed a final dividend of Rs.8.50 per equity share for the year ended 31st March 2025 which is subject to the approval of shareholder at the ensuing Annual General Meeting and if approved, would result in a cash outflow of approximately Rs. 382.50 lakhs.

**Note No. 56**

Previous Year's figures have been regrouped wherever necessary to correspond with the current year's figures, except when otherwise stated, the figures are presented in Rs. lakhs.

As per our report of even date  
for **BRAHMAYYA & CO**  
Chartered Accountants  
Firm Regn. No. 000513S

For and on behalf of Board of Directors

**Shravan. K**  
Partner  
Membership No. 215798

**Srinivas VG**  
Director  
DIN:00181826

**U. Sri Krishna**  
ED & CEO  
DIN:008880274

Place: Hyderabad  
Date : 30-05-2025

**K. Ramyanka Yadav**  
CS & CO  
Membership No.A45483

**G. Subba Rao**  
C F O

# Consolidated Balance Sheet



**HIGHLIGHTS OF THREE YEAR'S PERFORMANCE**

(Figures in Rs Lakhs)

Particulars	2022-23	2023-24	2024-25
1. Sales & other income	12,264.30	14,051.55	15,858.75
2. Profit Before int, dep & tax	2,778.00	3619.52	3,972.51
3. Profit before extraordinary/exceptional Items & Tax	2,160.62	2957.61	3,304.76
4. Profit after Tax	1,602.37	2,207.44	2,371.93
5. Net Fixed Assets	8,245.60	8906.14	9,337.72
6. Share Capital	225.00	225.00	450.00
7. Reserves & surplus	18,293.38	20,263.06	22,127.59
8. Net Worth	18,518.38	20,488.06	22,577.59
9. Return on Net worth(RONW) PAT/Networth	8.65%	10.77%	10.51%
10. % of Employee cost to net turnover	10.65	11.30	11.97
11. Cash Earnings per share(Rs)	96.07	123.97	66.71
12. Earnings per share (Rs)	71.22	98.11	52.71
13. Dividend per Share (Rs)	13.00	13.00	8.50
14. Book Value per Share(Rs)	823.04	910.58	501.72
15. Sundry Debtors - No of Days	80.23	70.25	69.22
16. Turnover/Avg Inventory (Times)	1.73	1.55	1.52
17. Current Ratio	3.97	5.06	4.91
18. Debt-Equity Ratio	0.19	0.14	0.15

## **Independent Auditor's Report**

### **TO THE MEMBERS OF VELJAN DENISON LIMITED.**

#### **Report on the Audit of Consolidated Financial Statements**

##### **Opinion**

We have audited the accompanying consolidated financial statements of **VELJAN DENISON LIMITED** (hereinafter referred to as the "Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance sheet as at March 31, 2025, and the consolidated Statement of Profit and Loss (including other comprehensive income), consolidated Statement of changes in equity and consolidated statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2025, and its consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

##### **Basis for Opinion**

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

##### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material

uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statement have been kept so far as it appears from our examination of those books and reports of other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement and Consolidated Statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

(e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2025 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group Companies incorporated in India are disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Companies Act;

(f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries, incorporated in India, and the operating effectiveness of such controls, refer to our separate report in “Annexure A”.

(g) With respect to the Managerial remuneration to be included in the auditor’s report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the report of the other auditors on the separate financial statements and other financial information of the subsidiaries:

i. The Consolidated financial statements disclose the impact of pending litigations as at 31st March 2025 on the Consolidated financial position of the group. Refer Note 33 to the consolidated financial statements.

ii. The Consolidated financial statements did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. The Consolidated financial statements does not have any pending amounts, required to be transferred, to the Investor Education and Protection Fund.

iv. a. The respective Managements of the Holding Company which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

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

- v. a. The final dividend paid by the Holding Company, during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.
- b. As stated in note 55 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- vi. Based on our examination which included test checks performed by us on the Holding Company, which is incorporated in India and whose financial statements have been audited under the Act, the Holding Company has used accounting software systems for maintaining their respective books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.
- Further, where audit trail (edit log) facility was enabled and operated throughout the year for the accounting software(s) we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Holding Company as per the statutory requirements for record retention.
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

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

Place : Hyderabad  
Date : 30.05.2025

**(K.SHRAVAN)**  
Partner  
Membership No. 215798  
UDIN: 24215798BKESSI3994



**Annexure – A to the Auditor's Report****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the VELJAN DENISON LIMITED (“the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as the Group) as at for the year ended March 31, 2025, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries which are incorporated in India, as of that date.

**Management’s Responsibility for Internal Financial Controls**

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

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material aspects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiaries which are incorporated in India, in terms of their reports referred in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to consolidated financial statements.

**Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements**

A company’s internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to consolidated financial statements includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and



dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

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

### **Opinion**

In our opinion to the best of our information and according to the explanations given to us, the Group which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2025 based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

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

Place : Hyderabad  
Date : 30.05.2025

**(K.SHRAVAN)**  
Partner  
Membership No. 215798  
UDIN: 24215798BKESSI3994

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup>, MARCH 2025**

(Figures in Rs Lakhs)

Particulars	Refer Note No	AS AT 31-03-2025	AS AT 31-03-2024
<b>ASSETS</b>			
<b>1. NON-CURRENT ASSETS</b>			
a) Property, Plant & Equipment	2	9,113.14	8,644.76
b) Capital work-in-Progress	2	219.29	252.78
c) Intangible Assets	2	5.29	8.60
d) Goodwill		332.94	316.30
d) Financial Assets			
i. Other Financial Asset	3	91.60	86.32
e) Other Non current Assets	4	43.24	-
		<u>9,805.50</u>	<u>9,308.76</u>
<b>2. CURRENT ASSETS</b>			
a) Inventories	5	7,612.47	6,496.89
b) Financial Assets			
i. Trade receivables	6	3,484.28	3,080.39
ii. Cash and cash equivalents	7	905.29	237.49
iii. Bank Balances Other than (ii) above	8	3,874.12	3,741.86
iv. Loans	9	11.52	11.44
v. Other financial assets	10	140.18	136.09
c) Other Current assets	11	865.97	870.68
d) Current Tax assets (Net)		54.23	2.60
		<u>16,948.06</u>	<u>14,577.44</u>
<b>Total Assets</b>		<u>26,753.56</u>	<u>23,886.20</u>
<b>EQUITY AND LIABILITIES</b>			
<b>1. EQUITY</b>			
a) Equity Share Capital	12	450.00	225.00
b) Other Equity	13	22,127.59	20,263.06
		<u>22,577.59</u>	<u>20,488.06</u>
<b>2. LIABILITIES</b>			
<b>NON - CURRENT LIABILITIES</b>			
a) Deferred Tax Liability	28	649.74	500.24
b) Long Term Borrowings	14	52.43	-
		<u>702.17</u>	<u>500.24</u>
<b>3. CURRENT LIABILITIES</b>			
a) Financial Liabilities			
i) Short Term Borrowings	15	787.24	693.97
ii) Trade Payable			
a) Total Outstanding dues of Micro, Small & Medium Enterprises	16	839.21	605.50
b) Total outstanding dues other than (a) above		478.11	381.21
iii) Other Financial Liabilities	17	1,055.84	823.10
b) Other Current Liabilities	18	313.40	394.12
		<u>3,473.80</u>	<u>2,897.90</u>
<b>Total Equity &amp; Liabilities</b>		<u>26,753.56</u>	<u>23,886.20</u>

The accompanying notes are an integral part of these consolidated Financial Statements

**As per our report of even date  
for BRAHMAYYA & CO**

 Chartered Accountants  
Firm Regn. No. 000513S

**Shravan. K**  
Partner  
**Membership No. 215798**

 Place: Hyderabad  
Date : 30-05-2025

**For and on behalf of Board of Directors**
**Srinivas VG**  
Director  
DIN:00181826

**K. Ramyanka Yadav**  
CS & CO  
Membership No.A45483

**U. Sri Krishna**  
ED & CEO  
DIN:008880274

**G. Subba Rao**  
C F O

**STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (Figures in Rs Lakhs)**

Particulars	Refer Note No	For the Year Ended 31-03-2025	For the Year Ended 31-03-2024
<b>1. INCOME:</b>			
a) Revenue from operations	19	15,569.94	13,769.28
b) Other Income	20	288.81	282.27
<b>Total Income (a+b)</b>		<b>15,858.75</b>	<b>14,051.55</b>
<b>2. EXPENSES:</b>			
a) Cost of Materials Consumed	21	5,993.97	5,210.01
b) Changes in inventories of finished goods and work-in-process	22	(599.06)	(573.31)
c) Employee benefits expense	23	1,863.84	1,702.75
d) Finance cost	24	63.82	102.78
e) Depreciation & Amortisation Expenses	25	603.93	559.13
f) Other expenses	26	4,627.49	4,092.58
<b>Total Expenses</b>		<b>12,553.99</b>	<b>11,093.94</b>
<b>3. Profit Before exceptional items and tax (1-2)</b>		<b>3,304.76</b>	<b>2,957.61</b>
<b>4. Exceptional items (add/(Less))</b>		<b>-</b>	<b>-</b>
<b>5. Profit Before tax</b>		<b>3,304.76</b>	<b>2,957.61</b>
<b>6. Tax expenses:</b>			
a) Current Tax		812.71	702.99
b) Tax relating to previous periods		6.96	16.17
c) Deferred tax		113.16	31.01
<b>Total Tax Expenses</b>		<b>932.83</b>	<b>750.17</b>
<b>7. Profit for the year (5-6)</b>		<b>2,371.93</b>	<b>2,207.44</b>
<b>8. Other Comprehensive Income</b>			
Items that will not be reclassified subsequently to Profit & loss		58.30	-
Income tax relating to items that will not be reclassified to P & L		(14.67)	-
<b>Total Other Comprehensive Income for the year</b>		<b>43.63</b>	<b>-</b>
<b>9. Total Comprehensive Income for the year</b>		<b>2,415.56</b>	<b>2,207.44</b>
<b>Earning per equity share of Rs. 10 each</b>			
1) Basic & Diluted	35	52.71	49.05

The accompanying notes are an integral part of these consolidated Financial Statements

**As per our report of even date  
for BRAHMAYYA & CO**  
Chartered Accountants  
Firm Regn. No. 000513S

**For and on behalf of Board of Directors**

**Shravan. K**  
Partner  
**Membership No. 215798**

**Srinivas VG**  
Director  
DIN:00181826

**U. Sri Krishna**  
ED & CEO  
DIN:008880274

Place: Hyderabad  
Date : 30-05-2025

**K. Ramyanka Yadav**  
CS & CO  
Membership No.A45483

**G. Subba Rao**  
C F O

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2025** (Figures in Rs Lakhs)

**A. EQUITY SHARE CAPITAL:**

<b>For the year ended 31st march, 2025</b>	<b>Amount</b>	<b>For the year ended 31st March, 2024</b>	<b>Amount</b>
Balance as at 1st April 2024	225.00	Balance as at 1st April 2023	225.00
Changes in equity Shares Capital during the year ended	225.00	Changes in equity Shares Capital during the year ended	-
Balance as at 31st March 2025	450.00	Balance as at 31st March 2024	225.00

**B. OTHER EQUITY :**
**For the Year ended 31st March 2025**

<b>Particulars</b>	<b>Reserves and Surplus</b>						<b>Total</b>
	<b>Security Premium</b>	<b>Capital redemption reserve</b>	<b>investment allowance reserve</b>	<b>General reserve</b>	<b>Retained Earnings</b>	<b>Foreign Currency Translation Reserve</b>	
Balance as at 1st April 2023	45.00	3.00	12.80	17,588.33	580.38	63.87	18,293.38
Profit for the Year	-	-	-	-	2,207.44	54.74	2,262.18
Total Comprehensive Income	<b>45.00</b>	<b>3.00</b>	<b>12.80</b>	<b>17,588.33</b>	<b>2,787.82</b>	<b>118.61</b>	<b>20,555.56</b>
Dividend paid	-	-	-	-	(292.50)	-	(292.50)
Transfer to general Reserve	-	-	-	1,595.21	(1,595.21)	-	-
<b>Balance as at 31st March 2024</b>	<b>45.00</b>	<b>3.00</b>	<b>12.80</b>	<b>19,183.54</b>	<b>900.11</b>	<b>118.61</b>	<b>20,263.06</b>
Balance at 1st April 2024	45.00	3.00	12.80	19,183.54	900.11	118.61	20,263.06
Profit for the Year	-	-	-	-	2,415.56	56.47	2,472.03
Total Comprehensive Income	<b>45.00</b>	<b>3.00</b>	<b>12.80</b>	<b>19,183.54</b>	<b>3,315.67</b>	<b>175.08</b>	<b>22,735.09</b>
Dividend paid	-	-	-	-	(382.50)	-	(382.50)
Transfer on issue of Bonus Shares	-	-	-	-	(225.00)	-	(225.00)
Transfer to general Reserve	-	-	-	1798.26	(1798.26)	-	-
<b>Balance as at 31st March 2025</b>	<b>45.00</b>	<b>3.00</b>	<b>12.80</b>	<b>20,981.80</b>	<b>909.91</b>	<b>175.08</b>	<b>22,127.59</b>

**The Description of the nature and purpose of reserves within equity is as follows.**

- Security premium : Premium received on issue of equity shares credited to Securities Premium Reserve. It can be utilised as per the provision of Section 63 of the Companies Act, 2013.
- Capital Redemption Reserve: Created on cancellation of equity shares under the scheme of arrangement and redemption of preference shares. It can be utilised as per the provision of section 63 of the Companies Act, 2013.
- Retained Earnings : This Reserve represents the cumulative profits of the Company. This Reserve can be utilised in accordance with the provisions of Companies Act, 2013.
- Foreign Currency translation reserve: The exchange differences arising from the translation of financial statements in the presentation currency of the Company with functional currency is recognized in other comprehensive income and is presented within equity.

**As per our report of even date  
for BRAHMAYYA & CO**

Chartered Accountants  
Firm Regn. No. 000513S

**Shravan. K**  
Partner  
**Membership No. 215798**

Place: Hyderabad  
Date : 30-05-2025

**For and on behalf of Board of Directors**

**Srinivas VG**  
Director  
DIN:00181826

**K. Ramyanka Yadav**  
CS & CO  
Membership No.A45483

**U. Sri Krishna**  
ED & CEO  
DIN:008880274

**G. Subba Rao**  
C F O

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2025**

(Figures in Rs Lakhs)

Particulars	Year Ended 31-03-2025	Year Ended 31-03-2024
<b>A. Cash Flow From Operating Activities</b>		
Profit/ (Loss) before tax	3,304.76	2,957.61
Adjustments for:		
Depreciation and amortization expense	603.93	559.13
Interest income	(264.66)	(248.02)
Finance Cost	63.82	102.78
Loss on Sale of Assets	6.94	5.13
Unrealised Foreign Exchange gain (net)	92.81	44.72
Tools or Dies Written Off	26.17	22.74
<b>Operating Profit before working capital Changes</b>	<b>3,833.77</b>	<b>3,444.09</b>
<b>Movement in Working Capital</b>		
Decrease/(increase) in inventories	(1,141.75)	(921.00)
Decrease/(increase) in trade receivables	(403.88)	7.94
Increase / (decrease) Trade payables	330.61	(163.69)
Decrease / (Increase) in financial assets	(22.54)	(11.51)
Decrease / (Increase) in non-financial assets	11.21	(161.32)
Increase / (decrease) in financial liabilities	266.47	(26.00)
Increase / (decrease) in other liabilities	(27.29)	(30.90)
<b>Cash Generated from Operations</b>	<b>2,846.60</b>	<b>2,137.61</b>
Taxes Paid (Net)	(907.65)	(603.58)
<b>Net Cash flow from Operating Activities (A)</b>	<b>1,938.95</b>	<b>1,534.03</b>
<b>B. Cash Flow From Investing Activities</b>		
Purchase of Property plant and equipment and intangible assets incl. CWIP	(1,047.76)	(1,034.64)
Proceeds from sale of assets	6.87	6.85
Investment in Subsidiary	-	-
Movement in other bank balances	(132.26)	26.21
Interest Received	277.74	251.18
<b>Net cash flow generated/(used) from investing activities (B)</b>	<b>(895.41)</b>	<b>(750.40)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from/(repayment of) short-term loans and borrowings, net	93.27	(247.32)
Dividend paid	(405.21)	(459.11)
Interest paid	(63.82)	(102.78)
<b>Net cash from/(used in) financing activities (C)</b>	<b>(375.76)</b>	<b>(809.21)</b>
<b>D. Net increase in cash and cash equivalents (A+B+C)</b>	<b>667.78</b>	<b>(25.58)</b>
Cash and cash equivalents at the beginning of the period/year	237.49	263.07
<b>Cash and cash equivalents at the end of the year</b>	<b>905.29</b>	<b>237.49</b>
Component of Cash and Cash Equivalent		
Cash in Hand	0.16	4.89
Balance with banks In current Account	888.27	216.44
Fixed Deposits with maturity less than 3 months	16.86	16.16
<b>Total Cash and Cash Equivalents in Cash Flow Statement</b>	<b>905.29</b>	<b>237.49</b>

- The above cash flow statement has been prepared under the Indirect Method set out in the Ind AS-7 specified under Section 133 of the Companies Act 2013.
- Previous year figures have been regrouped and recasted wherever necessary to conform to the current classification.

**As per our report of even date**
**For and on behalf of Board of Directors**
**for BRAHMAYYA & CO**

Chartered Accountants

Firm Regn. No. 000513S

**Shravan. K**

Partner

**Membership No. 215798**

Place: Hyderabad

Date : 30-05-2025

**Srinivas VG**

Director

DIN:00181826

**K. Ramyanka Yadav**

CS &amp; CO

Membership No.A45483

**U. Sri Krishna**

ED &amp; CEO

DIN:008880274

**G. Subba Rao**

C F O

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 25****NOTE NO.1****CORPORATE INFORMATION:**

Veljan Denison Limited (the “Holding Company”) is a Public Limited Company incorporated on 19th December, 1973 with its Registered Office at Plot No 44, 4th floor, HCL Towers, Chikoti Gardens, Begumpet, Hyderabad 500 016 Telangana State. The Company is engaged in the business of Manufacturing of Hydraulic Pumps, Motors, Valves and Custom Built Power Packs. The Company is listed on Bombay Stock Exchange Limited, Mumbai.

The consolidated financial statements comprise financial statements of Holding Company and its subsidiaries, (the Holding Company and its subsidiaries together referred as ‘the Group’).

The consolidated financial statements of the company for the year ended March 31, 2025 are approved for issue by the Company’s Board of Directors on May 30, 2025.

List of Subsidiaries with percentage holding				% of holding
Subsidiaries	Country of incorporation	Parents	31st March 2025	31st March 2024
Adan Holdings Limited	UK	Veljan Denison Limited	100	100
Adan Limited	UK	Adan Holdings Limited	100	100

**MATERIAL ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS:****1. Material Accounting Policies:****1.1. Statement of Compliance:**

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standard) Rules, 2015 notified under section 133 of the Companies Act 2013, amendments there to and other relevant provisions of the Act.

**1.2. Basis of Preparation of Financial Statements.**

These Ind AS Financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been consistently except where a newly issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hither to in use.

The consolidated financial statements are presented in INR(Rs.) which is the functional currency of the Holding company, and all values are rounded off to the nearest lakhs except when otherwise indicated.

**1.3. Classification of Assets and Liabilities as Current and Non Current:**

The Company has determined its operating cycle as 12 months for the purpose of classification of current and non-current assets and liabilities. This is based on the nature of product and the time between the acquisition of inventories for processing and their realization in cash and cash equivalents.

Deferred tax assets and deferred tax liabilities are classified as non –current assets and liabilities.

**1.4. Principles of Consolidation**

The consolidated financial statements relate to Veljan Denison Limited (‘Holding Company’) and its subsidiaries (‘the Group’)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 25

"Subsidiaries are all entities (including special purpose entities) that are controlled by the Company. Control exists when the Company is exposed to, or has rights, to variable returns from its involvement with the entity, and has the ability to affect those returns through power over the entity. The net assets and results of acquired businesses are included in the consolidated financial statements from their respective dates of acquisition, being the date on which the Group obtains control."

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group Companies are eliminated. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

The excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries, is recognised as 'Goodwill on Consolidation' being an asset in the consolidated financial statements. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for. On the other hand, where the share of equity in subsidiaries as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Other Equity' in the consolidated financial statements.

Non-controlling interests in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately within equity. Non-controlling interests in the net assets of consolidated subsidiaries consists of:

- a) The amount of equity attributable to noncontrolling interests at the date on which investment in a subsidiary is made; and
- b) The non-controlling interests share of movements in equity since the date parent subsidiary relationship came into existence.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

### 1.5. Use of Estimates & Judgments:

The estimates and Judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances.

### 1.6. Property, Plant and Equipment – Tangible Assets:

- i. Property, Plant and Equipment other than land are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises of purchase price and any attributable cost of bringing the assets to its working condition for its intended use.
- ii. Capital Work In Progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.
- iii. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 25****Depreciation and Amortization Method:**

Depreciation is provided on Straight Line Method on the basis of useful lives of such assets specified in Schedule II to the Companies Act, 2013 except the assets costing Rs. 5000/- or below on which depreciation is charged @ 100%.

Depreciation on additions is being provided on pro rata basis from the date of such additions. Depreciation on assets sold, discarded or demolished during the year is being provided up to the date on which such assets are sold, discarded or demolished.

The estimated useful lives for the Property, plant and equipment are as follows:

Asset Classification	Useful Life
Buildings	30-60 Years
Electrical Installations	10 Years
Plant & Equipment	15 Years
Furniture & Fixtures & Canteen Equipements	10 Years
Office Equipment	3-5 Years
Vehicles	8 Years

**1.7. Intangible Assets:**

Intangible assets are stated at cost less accumulated amortization. Cost includes any expenditure directly attributable on making the asset ready for its intended use.

Intangible assets are amortized over their useful life.

**1.8. Impairment of Assets**

The carrying values of assets/cash generating units at each balance sheet date are reviewed for Impairment if any indication of impairment exists. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value.

Recoverable value: Recoverable value being higher of value in use and fair value less cost of disposal. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognized as an expense in the Statement of profit and loss in the year in which an asset identified as impaired.

**1.9. Cash & Cash Equivalents:**

For the purpose of presentation in the statement of cashflows, cash and cash equivalents includes cash on hand, deposits held at call with principal institutions, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**1.10. Trade Receivable:**

Trade Receivables are recognised initially at fair value and subsequently measured at amortised cost using effective interest method, less provision for impairment.

**1.11. Inventory:**

Inventories of raw materials, consumable stores and packing materials are valued at cost on weighted average method, finished goods and work in process are valued at cost on weighted average method or realisable value whichever less. 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 written down value and further issue of tools are charged to revenue as and when issued.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 25

### 1.12. Financial Instrument:

A Financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

#### a. Financial Asset:

##### Initial recognition and measurement:

All financial instruments are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through statement of profit and loss transaction costs that are attributable to the acquisition of the financial asset, purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the trade date i.e. the date that company commits to purchase or sell the asset.

##### Subsequent Measurement:

For the purpose of subsequent measurement financial assets are classified as measured at:

- 1) Amortised cost
- 2) Fair value through profit and loss (FVTPL)
- 3) Fair value through Other Comprehensive Income (FVTOCI)

##### Financial Asset measured at amortized cost:

Financial Assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flow and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost using effective interest rate (EIR) method. The EIR amortization is recognized as finance income in the statement of Profit & Loss.

The company while applying above criteria has classified all the financial assets (except investments in equity share) at amortized cost

##### Financial Assets Measured at fair value through other comprehensive Income:

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets collecting contractual cash flow that are solely payment of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI) interest income measured using the EIR method and impairment losses, if any are recognized in the statement of Profit and loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the statement of profit and loss.

##### Financial Assets at fair value through profit or loss (FVTPL):

Financial Asset are measured at fair value through profit & loss if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the statement of profit & loss.

##### De-recognition of Financial Assets:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 25

### Impairment of Financial Assets:

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the debt instruments, that are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

Expected credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive.

The management uses a provision matrix to determine the impairment loss on the portfolio of trade and other receivable. Provision matrix is based on its historically observed expected credit loss rates over the expected life of the trade receivables and is adjusted for forward looking estimates.

Expected credit loss allowance or reversal recognized during the period is recognized as income or expense, as the case may be, in the statement of profit and loss. In case of balance sheet, it is shown as reduction from the specific financial asset.

### b. Financial Liabilities

#### Initial recognition and measurement:

Financial liabilities are recognized initially at fair value plus any transaction cost that are attributable to the acquisition of the financial liability except financial liabilities at FVTPL that are measured at fair value

#### Subsequent Measurement:

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial Liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

#### Financial Liabilities at amortized cost:

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount.

All the financial liabilities of the company are subsequently measured at amortised cost using effective interest method.

#### De recognition of Financial Liabilities

A financial liability shall be de recognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

### 1.13. Foreign Currency Transactions:

The functional and presentation currency of the Company is Indian Rupee. Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gains/losses arising on settlement as also on translation of monetary items are recognised in the Statement of Profit and Loss.

### 1.14. Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 25****1.15. Revenue Recognition:**

Revenue towards satisfaction of performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract.

**a. Sale of Products:**

Revenue from the sale of goods is recognised when delivery has taken place and control of the goods has been transferred to the customer according to the specific to the specific delivery term that have been agreed with the customer and when there are no longer any unfulfilled obligations.

**b. Interest Income:**

Interest on deposits with Government departments and financial Institutions are recognized in statement of profit and loss when the right to receive/receivable during the period.

**1.16. Employee Benefits:**

Short-term employee benefits are expensed as the related service is provided. A Liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**a. Defined Contribution Plans:**

Contribution towards provident fund for employees is made to the regulatory authorities, where the company has no further obligations. Such benefits are classified as defined Contribution schemes as the company does not carry any further obligations, apart from the Contributions made on a monthly basis.

**b. Defined benefit plans:**

Gratuity liability is defined benefit obligation and is provided on the basis of an actuarial valuation on projected unit credit method made at the end of each year. The Company funds the benefit through contribution to LIC.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI) net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in Statement of profit and loss.

**1.17. Taxes on Income:****Tax expense comprises of current and deferred tax:**

- a. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Tax Act.
- b. Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 25****1.18. Provisions:**

Provisions are recognized when, as a result of past event, the Company has a legal or constructive obligation; it is probable that an outflow of resources will be required to in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

**1.19. Contingent Liabilities:**

Contingent Liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that arises from past events where it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

**1.20. Claims:**

Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

**1.21. Offsetting:**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**1.22. Earnings per share:**

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

**1.23. Cash flow statement:**

Cash flows are reported using the Indirect method. Whereby profit for the period is adjusted for effects of transactions of a non-cash nature. Any deferrals are accruals of past or future operating cash receipts or payments and item of Income or expenses associated with investing or financing cash flows. The cash flows from operating investing and financing activities of the company are segregated.

**1.24. Segment Reporting:**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. The operations of the company are related to one segment i.e Hydraulic equipment.

**1.25. Events after Reporting date:**

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period., the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 25****1.26. Recent Accounting Pronouncements:****Standards issued but not yet effective:**

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

**1.27. Critical Accounting Estimates and Judgments:**

The preparation of financial statements is in conformity with generally accepted accounting principles which require management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting period. Although these estimates are based upon management’s best knowledge of current events and actions, actual results could differ from these estimates. Revisions in accounting estimates are recognized prospectively.

**The areas involving critical estimates or judgments are:**

Estimates of useful life of property, plant and equipment and intangibles

Measurement of defined benefit obligation

Recognition of deferred taxes

Estimation of impairment

Estimation of provision and contingent liabilities

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 25**
**NOTE NO. 2 - CONSOLIDATED PROPERTY, PLANT & EQUIPMENT**

(Figures in Rs Lakhs)

Particulars	GROSS BLOCK				
	As at 01.04.2024	Additions	Deductions	As at 31.03.2025	As at 01.04.2024
<b>a. Land</b>					
Land	1,270.14	-	-	1,270.14	
<b>b. BUILDING</b>					
Factory Buildings	2,373.70	18.25	-	2,391.95	299.19
Other Buildings	379.16	-	-	379.16	50.16
<b>c. PLANT &amp; EQUIPMENT</b>					
Water Works	4.31	-	-	4.31	4.06
Electrical Installations	30.69	-	-	30.69	3.82
Plant and Machinery	10,161.44	876.27	121.27	10,916.44	5,396.52
Inspection & Testing Equipments	212.58	16.07	-	228.65	158.24
Office Equipments	199.05	8.60	-	207.65	177.62
Air conditioners	17.86	1.31	-	19.17	14.53
Furniture & Fixtures	218.86	4.27	-	223.13	130.45
Canteen Equipments	0.32	5.32	-	5.65	0.29
Vehicles	37.26	138.10	27.40	147.95	28.63
Material Handling Equipments	28.75	14.42	-	43.17	25.86
<b>Sub Total</b>	<b>14,934.12</b>	<b>1,082.61</b>	<b>148.67</b>	<b>15,868.06</b>	<b>6,289.36</b>
<b>d. CAPITAL WORK IN PROGRESS</b>					
Capital Work in progress	252.78	6.28	39.77	219.29	-
<b>Sub Total</b>	<b>252.78</b>	<b>6.28</b>	<b>39.77</b>	<b>219.29</b>	<b>-</b>
<b>INTANGIBLE ASSETS</b>					
Software	112.27	-	-	112.27	103.67
<b>Sub Total</b>	<b>112.27</b>	<b>-</b>	<b>-</b>	<b>112.27</b>	<b>103.67</b>
<b>Grand Total</b>	<b>15,299.16</b>	<b>1,088.90</b>	<b>188.43</b>	<b>16,199.62</b>	<b>6,393.03</b>
Land includes Rs. 4.74 crores yet to be registered. TSIIC Land in Pashamylaram.					
<b>Aging of Capital Work in Progress as on 31.03.2025</b>					
Particulars	<1 Year	1 - 2 years	2 - 3 years	> 3 Years	Total
<b>A. Projects in progress</b>					
1. Machinery	-	-	27.52	58.83	86.35
<b>Sub Total</b>	<b>-</b>	<b>-</b>	<b>27.52</b>	<b>58.83</b>	<b>86.35</b>
<b>B. Project temporarily suspended (Factory)</b>	<b>6.28</b>	<b>-</b>	<b>-</b>	<b>126.66</b>	<b>132.94</b>
<b>Sub Total</b>	<b>6.28</b>	<b>-</b>	<b>-</b>	<b>126.66</b>	<b>132.94</b>
<b>Total (A+B)</b>	<b>6.28</b>	<b>-</b>	<b>27.52</b>	<b>185.49</b>	<b>219.29</b>



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 25

(Figures in Rs Lakhs)

D E P R E C I A T I O N			N E T B L O C K	
For the period on Assets value	Deductions	As at 31.03.2025	As at 31.03.2025	As at 31.03.2024
-	-	-	1,270.14	1,270.14
64.18	-	363.37	2,028.57	2,074.51
5.96	-	56.12	323.04	329.00
0.01	-	4.07	0.25	0.26
2.56	-	6.38	24.31	26.87
489.41	108.71	5,777.22	5,139.22	4,764.92
4.48	-	162.72	65.93	54.34
5.23	-	182.85	24.80	21.43
0.50	-	15.03	4.14	3.33
13.58	-	144.02	79.10	88.41
0.40	-	0.69	4.95	0.03
13.04	26.03	15.63	132.32	8.63
0.94	-	26.81	16.37	2.89
<b>600.30</b>	<b>134.74</b>	<b>6,754.92</b>	<b>9,113.14</b>	<b>8,644.76</b>
-	-	-	219.29	252.78
-	-	-	219.29	252.78
3.31	-	106.98	5.29	8.60
3.31	-	106.98	5.29	8.60
<b>603.61</b>	<b>134.74</b>	<b>6,861.90</b>	<b>9,337.72</b>	<b>8,906.14</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 25**

(Figures in Rs Lakhs)

Particulars	AS AT 31-03-2025	AS AT 31-03-2024
<b>NOTE NO. 3</b>		
<b>OTHER FINANCIAL ASSET - NON CURRENT:</b>	<b>38.78</b>	38.78
a) Rental Deposits	<b>52.82</b>	47.54
b) Security Deposits Recoverable (TSCPDCL & Telephones)		
<b>TOTAL</b>	<b>91.60</b>	<b>86.32</b>
<b>NOTE NO.4</b>		
<b>Other Non Current Assets</b>		-
Advance with Gratuity Fund (LIC Funded)	<b>43.24</b>	
<b>TOTAL</b>	<b>43.24</b>	<b>-</b>
<b>NOTE NO. 5</b>		
<b>INVENTORIES:</b>		
As valued and Certified by the Management		
a) Raw Materials*	<b>3,124.00</b>	2,660.43
(Valued at cost on weighted average method)		
b) Finished Goods	<b>1,101.06</b>	1,009.67
(Valued at cost on weighted average method or realisable value which ever is less)		
c) Stores & Spares	<b>214.12</b>	191.63
(Valued at cost on weighted average method)		
d) Stock-in-Process	<b>2,944.58</b>	2,436.90
(Valued at cost on weighted average method or realisable value which ever is less)		
e) Jigs & Fixtures, Patterns and Tools & Implements	<b>228.71</b>	198.26
<b>TOTAL</b>	<b>7,612.47</b>	<b>6,496.89</b>
All inventories of the Company have been hypothecated to secure borrowings of the Company (refer note 15)		
<b>*Details of Raw materials</b>		
Steels	<b>567.28</b>	580.87
Castings	<b>660.99</b>	603.98
Components (Domestic)	<b>1,400.63</b>	1,219.50
Imported Material	<b>495.10</b>	256.08
<b>TOTAL</b>	<b>3,124.00</b>	<b>2,660.43</b>
<b>NOTE NO. 6</b>		
<b>TRADE RECEIVABLES:</b>		
a) Trade receivables considered good- secured	-	-
b) Trade receivables considered good-Unsecured	<b>3,438.67</b>	3,034.78
c) Trade receivable which have significant increase in credit risk	-	-
d) Trade Receivable - credit impaired	<b>45.61</b>	45.61
<b>TOTAL</b>	<b>3,484.28</b>	<b>3,080.39</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 25**

(Figures in Rs Lakhs)

**Trade Receivable outstandings for the following periods from due date of payment**

Period	Undisputed Trade receivable considered good	Undisputed trade receivables Credit impaired	Disputed trade receivables considered good	Disputed trade receivables Credit impaired	Total
<b>Balance as at March 31, 2025</b>					
< 6months	3,315.67	-	-	-	3,315.67
6 months to 1 year	19.39	-	-	-	19.39
1 - 2 Years	98.98	-	-	-	98.98
2 - 3 Years	46.14	-	-	-	46.14
> 3 Years	14.52	26.97	-	45.61	87.10
<b>TOTAL</b>	<b>3,494.70</b>	<b>26.97</b>		<b>45.61</b>	<b>3,567.28</b>

Less: ECL/Provision

doubtful debts expenses	37.39	-	-	45.61	83.00
<b>TOTAL</b>	<b>3,457.31</b>	<b>26.97</b>	-	-	<b>3,484.28</b>

**Balance as at  
March 31, 2024**

< 6months	2,827.23		-	-	2,827.23
6 months to 1 year	55.93	-	-	-	55.93
1 - 2 Years	114.43	-	-	-	114.43
2 - 3 Years	15.80	-	-	-	15.80
> 3 Years	21.68	40.71		45.61	108.00
<b>TOTAL</b>	<b>3,035.07</b>	<b>40.71</b>		<b>45.61</b>	<b>3,121.39</b>

Less: ECL/Provision for

doubtful debts expenses	41.00	-	-	-	41.00
<b>TOTAL</b>	<b>2,994.07</b>	<b>40.71</b>	-	<b>45.61</b>	<b>3,080.39</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 25**

(Figures in Rs Lakhs)

Particulars	AS AT 31-03-2025	AS AT 31-03-2024
<b>NOTE NO. 7</b>		
<b>CASH AND CASH EQUIVALENTS:</b>		
a) Balances With Scheduled Bank Accounts:		
In Current Accounts	331.70	221.28
In Cash Credit - (Debit Balance)	556.57	-
b) Cash on Hand	0.16	0.05
c) Fixed Deposits - With maturity Less than 3 months	16.86	16.16
<b>TOTAL</b>	<b>905.29</b>	<b>237.49</b>
<b>NOTE NO. 8</b>		
<b>OTHER BANK BALANCES CURRENT:</b>		
a) Bank Deposits with maturity period less than 12 months	3,797.53	3,649.75
b) Balance with Banks against Dividends payments	50.98	73.68
c) Balance With Banks as fixed deposits, LC's and BG's	25.61	18.43
<b>TOTAL</b>	<b>3,874.12</b>	<b>3,741.86</b>
<b>NOTE NO.9</b>		
<b>SHORT TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)</b>		
Staff advances	11.52	11.44
<b>TOTAL</b>	<b>11.52</b>	<b>11.44</b>
<b>NOTE NO.10</b>		
<b>OTHER FINANCIAL ASSETS - CURRENT:</b>		
a) Security deposits recoverable	104.11	86.94
b) Interest Accrued	36.07	49.15
<b>TOTAL</b>	<b>140.18</b>	<b>136.09</b>
<b>NOTE NO.11</b>		
<b>OTHER CURRENT ASSETS:</b>		
<b>Unsecured, considered good</b>		
a) Advance for Capital Purchase	102.32	95.83
b) Advance for purchase of Raw materials & Stores	179.30	286.44
c) Pre-paid Expenses	38.30	32.69
d) Claim Receivable (Vat)	194.06	194.06
e) G S T Receivable	288.56	233.34
f) Other Receivable	63.43	28.32
<b>TOTAL</b>	<b>865.97</b>	<b>870.68</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 25

(Figures in Rs Lakhs)

## NOTE NO. 12

SHARE CAPITAL:	AS AT 31-03-2025		AS AT 31-03-2024	
	No. of Shares	Rs.	No. of Shares	Rs.
<b>A. AUTHORISED</b>				
Equity Shares of Rs 10/- each	<u>6,000,000</u>	<u>600.00</u>	<u>3,000,000</u>	<u>300.00</u>
	<u>6,000,000</u>	<u>600.00</u>	<u>3,000,000</u>	<u>300.00</u>
<b>B. ISSUED, SUBSCRIBED AND PAID UP</b>				
Equity Shares of Rs 10/- each fully paid up	4,500,000	450.00	2,250,000	225.00

**C. Terms / rights attached to equity shares**

"The Holding Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder."

**D.Reconciliation of the shares out standing at the beginning and at the end of year:**

Name of the Share Holder	As At 31st March 2025		As At 31st March 2024	
	No of Shares held	Rs. In Lakhs	No of Shares held	Rs. In Lakhs
Share Outstanding at the beginning of the Year	2,250,000	225.00	2,250,000	225.00
Shares Issued during the Year	2,250,000	225.00		-
Share redeemed/bought back during the Year		-		-
Shares outstanding at the end of the Year	4,500,000	450.00	2,250,000	225.00

**E. Bonus Shares issued during the current financial year**

During the current year, pursuant to approval given by the shareholders in the Extraordinary General Meeting held on 6th May 2024, the Holding Company had Issued 22,50,000 fully paid up bonus equity shares of Rs. 10 each in the ratio of one equity share of Rs. 10 each for every one existing equity share of Rs. 10 each. As a result of the bonus issue, the paid up share capital of the Holding Company has increased to Rs. 450.00 lakhs from Rs. 225.00 lakhs.

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

Name of the Share Holders	As At 31st March 2025		As At 31st March 2024	
	No of Shares held	% of Holding	No of Shares held	% of Holding
<b>Equity Shares</b>				
V Chukkamamba	882,940	19.62	597,139	26.54
V C Janardan Rao	619,506	13.77	309,753	13.77
Gangadhar Srinivas Velamati	406,858	9.04	-	-
Veljan Investments Ltd	487,900	10.84	243,950	10.84
Veljan Hydrair Limited	339,660	7.55	169,830	7.55

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 25

(Figures in Rs Lakhs)

**G. Details of Shareholding of Promoters****Shares held by Promoters at the end of the year**

Promoter Name	AS AT 31-03-2025 No. of Shares	% of total shares	% Change during the year
V Chukkamamba	882,940	19.62	47.86
V C Janardan Rao	619,506	13.77	100.00
Gangadhar Srinivas Velamati	406,858	9.04	751.88
Veljan Investments Ltd	487,900	10.84	100.00
Veljan Hydrair Limited	339,660	7.55	100.00
Umadevi Uppaluri	221,668	4.93	100.00
Sarojinidevi Kilaru	199,704	4.44	100.00
Lalithadevi Sanjay Jayavarthanavelu	196,170	4.36	100.00
Suxus Systems Ltd	13,104	0.29	100.00
JDM Hydropneumatics Limited	6,684	0.15	100.00
<b>Total</b>	<b>3,374,194</b>	<b>74.99</b>	

**Shares held by Promoters at the end of the year**

Promoter Name	AS AT 31-03-2024 No. of Shares	% of total shares	% Change during the year
V Chukkamamba	597,139	26.54	-
V C Janardan Rao	309,753	13.77	-
Veljan Investments Ltd	243,950	10.84	-
Veljan Hydrair Limited	169,830	7.55	-
Umadevi Uppaluri	110,834	4.93	-
Sarojinidevi Kilaru	99,852	4.44	-
Lalithadevi Sanjay Jayavarthanavelu	98,085	4.36	-
Gangadhar Srinivas Velamati	47,760	2.12	-
Suxus Systems Ltd	6,552	0.29	-
JDM Hydropneumatics Limited	3,342	0.15	-
<b>Total</b>	<b>1,687,097</b>	<b>74.99</b>	<b>-</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 25**

(Figures in Rs Lakhs)

Particulars	AS AT 31-03-2025	AS AT 31-03-2024
<b>NOTE NO. 13</b>		
<b>OTHER EQUITY:</b>		
<b>a) Security Premium</b>		
At the beginning and at the end of the period	<u>45.00</u>	<u>45.00</u>
<b>Closing Balance</b>	<u>45.00</u>	<u>45.00</u>
<b>b) Capital Redemption Reserve</b>		
At the beginning and at the end of the period	<u>3.00</u>	<u>3.00</u>
<b>Closing Balance</b>	<u>3.00</u>	<u>3.00</u>
<b>c) Investment Allowance Reserve</b>		
At the beginning and at the end of the period	<u>12.80</u>	<u>12.80</u>
<b>Closing Balance</b>	<u>12.80</u>	<u>12.80</u>
<b>d) General Reserve</b>		
At the beginning and at the end of the period	<u>19,183.54</u>	<u>17,588.33</u>
Add: Current Year Transfer	<u>1,798.26</u>	<u>1,595.21</u>
<b>Closing Balance</b>	<u>20,981.80</u>	<u>19,183.54</u>
<b>e) Retained earnings</b>		
At the beginning of the period	<u>900.11</u>	<u>580.38</u>
Add: Profit for the period	<u>2,415.56</u>	<u>2,207.44</u>
<b>Total Surplus</b>	<u>3,315.67</u>	<u>2,787.82</u>
<b>Less: Appropriations:</b>		
Dividend on Equity Shares	<u>382.50</u>	<u>292.50</u>
Transfer to General Reserve	<u>1,798.26</u>	<u>1,595.21</u>
Transfer to Share Capital	<u>225.00</u>	<u>-</u>
<b>At the end of the period</b>	<u>909.91</u>	<u>900.11</u>
<b>f) Foreign Currency Translation Reserve</b>	<u>175.08</u>	<u>118.61</u>
<b>TOTAL</b>	<u><u>22,127.59</u></u>	<u><u>20,263.06</u></u>
<b>NOTE NO. 14</b>		
<b>LONG TERM BORROWING</b>		
<b>a) Vehicle Loan</b>	<u>52.43</u>	<u>-</u>
Security details and other terms for the above vehicle loan secured by hypothecation of the respective vehicle		
<b>TOTAL</b>	<u><u>52.43</u></u>	<u><u>-</u></u>

**Security and Terms of Repayment:**

The above vehicle loan is secured by hypothecation of the respective vehicle. The Vehicle Loan carries an interest rate of 8.76% p.a and payable in 36 Equated Monthly Installments of Rs. 1.57 Lakhs.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 25**

(Figures in Rs Lakhs)

Particulars	AS AT 31-03-2025	AS AT 31-03-2024
<b>NOTE NO. 15</b>		
<b>SHORT TERM BORROWING:</b>		
<b>SECURED</b>		
<b>1. Working Capital Loans :</b>		
a) Cash Credit From : Canara Bank	-	274.70
b) Cash Credit From : H D F C Bank Ltd	43.68	391.82
c) Cash Credit From : H S B C Bank Ltd	719.43	27.45
	<u>763.11</u>	<u>693.97</u>
<b>2. Current maturities of long term debit(refer note no.14)</b>	<u>24.13</u>	-
	<u>24.13</u>	-
<b>Total</b>	<u>787.24</u>	<u>693.97</u>

Working Capital Loans from banks are Canara Bank and HDFC Bank, HSBC Bank. The Loans are repayable on demand, which are secured on pari pasu basis by hypothecation of Raw Materials, Work-in-Process, Finished Goods, Stores&spares and Book Debts and second charges on the fixed Assets of the Company. Further guaranteed by One Director of the company in the Capacity to the extent of Rs. 2,000 Lakhs(excluding HSBC Bank).

**NOTE NO. 16**
**TRADE PAYABLES:**
**Sundry creditors**

a) Micro and Small and Medium Enterprises	839.21	605.50
b) Other than Micro and Small Enterprises	478.11	381.21
<b>TOTAL</b>	<u>1,317.32</u>	<u>986.71</u>

**NOTE NO. 16a Trade payable aging schedule**

Particulars	Unbilled dues	< 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
<b>As on 31.03.2025</b>						
i. MSME	-	839.21	-	-	-	839.21
ii. Others	-	452.12	6.98	5.27	13.75	478.11
iii. Disputed dues MSME	-	-	-	-	-	-
iv. Disputed dues others	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>1,291.34</b>	<b>6.98</b>	<b>5.27</b>	<b>13.75</b>	<b>1,317.32</b>
<b>As on 31.03.2024</b>						
i. MSME	-	605.50	-	-	-	605.50
ii. Others	-	362.45	5.34	2.67	10.75	381.21
iii. Disputed dues MSME	-	-	-	-	-	-
iv. Disputed dues others	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>967.95</b>	<b>5.34</b>	<b>2.67</b>	<b>10.75</b>	<b>986.71</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 25**

(Figures in Rs Lakhs)

Particulars	AS AT 31-03-2025	AS AT 31-03-2024
<b>NOTE NO. 17</b>		
<b>OTHER FINANCIAL LIABILITIES - CURRENT:</b>		
a) Unclaimed Dividends	50.98	73.68
b) Creditors for Capital Purchases	52.29	64.15
c) Creditors - Expenses	952.57	685.27
<b>TOTAL</b>	<b>1,055.84</b>	<b>823.10</b>

**NOTE NO. 18****OTHER CURRENT LIABILITIES:**

a) Advance from Customers	53.94	55.32
b) Statutory Liabilities		
i. Tax deducted at source	11.57	10.88
ii. Goods and Service Tax	237.69	226.46
iii. Other Statutory Dues	10.20	101.47
<b>TOTAL</b>	<b>313.40</b>	<b>394.12</b>

Particulars	Current Year 31.03.2025	Previous Year 31.03.2024
-------------	----------------------------	-----------------------------

**NOTE NO. 19****REVENUE FROM OPERATIONS :****Sale of Products**

Pumps, Motors, Valves & Spares	15,537.71	13,736.31
Scrap Sales	32.23	32.97
<b>TOTAL</b>	<b>15,569.94</b>	<b>13,769.28</b>

Notes:

a) Reconciliation of revenue as per contract price and as recognised in Statement of Profit and Loss:

Particulars	Current Year 31.03.2025	Previous Year 31.03.2024
Revenue as per contracted price	15,573.32	13,771.48
Less: Discounts	3.38	2.20
Revenue from contract with customers	<b>15,569.94</b>	<b>13,769.28</b>

**b) The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers:**

Trade Receivables (Refer Note 6)	3,484.28	3,080.39
Contract Liabilities (Refer Note 18)	53.94	55.32

The contract liabilities primarily relate to the advance consideration received from the customers.

**c) Performance obligation:**

All sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/ delivery. The Company does not have any remaining performance obligation for sale of goods or rendering of services which remains unsatisfied as at March 31, 2025 and March 31, 2024.

**d) Disaggregation of revenue:**

Refer Note 54 for disaggregated revenue information. The management determines that the segment information reported is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 "Revenue from contract with customers".

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 25**

(Figures in Rs Lakhs)

Particulars	Current Year 31-03-2025	Previous Year 31-03-2024
<b>NOTE NO. 20</b>		
<b>OTHER INCOME :</b>		
<b>A. INTEREST INCOME ON</b>		
a) Margin Money Deposits & Fixed Deposits	264.66	248.02
<b>B. OTHER NON - OPERATING INCOME</b>		
a) Miscellaneous Receipts	16.14	18.22
b) Excess Provision Written Back	-	0.47
c) Credit Balances Written Back	8.00	15.56
<b>TOTAL</b>	<b>288.81</b>	<b>282.27</b>
<b>NOTE NO. 21</b>		
<b>COST OF MATERIALS CONSUMED* :</b>		
Opening Stock	2,145.79	1,993.25
Add: Purchases	6,388.12	5,362.55
	8,533.91	7,355.80
Less Closing stock	2,539.94	2,145.79
<b>TOTAL</b>	<b>5,993.97</b>	<b>5,210.01</b>
<b>Imported and Indigeneous Raw material Consumed</b>		
Imported	248.64	301.17
% of Consumption	4.15	5.78
Indigeneous	5,745.33	4,908.84
% of Consumption	95.85	94.22
<b>TOTAL</b>	<b>5,993.97</b>	<b>5,210.01</b>
<b>*Details of Material Consumed</b>		
Steels Consumed	774.20	664.10
Castings Consumed	2,215.45	1,882.04
Components Consumed	2,755.68	2,362.70
Imported Material Consumed	248.64	301.17
<b>TOTAL</b>	<b>5,993.97</b>	<b>5,210.01</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 25**

(Figures in Rs Lakhs)

Particulars	Current Year 31-03-2025	Previous Year 31-03-2024
<b>NOTE NO. 22</b>		
<b>CHANGES IN INVENTORIES OF STOCK IN TRADE AND STOCK IN PROCESS:</b>		
<b>(Increase)/Decrease of Stocks</b>		
Stock in Trade at the beginning of the period	1,009.67	966.79
Stock-in-Process at the beginning of the period	2,436.91	1,906.48
<b>TOTAL</b>	<b>3,446.58</b>	<b>2,873.27</b>
Stock in Trade at the end of the period	1,101.06	1,009.67
Stock-in-Process at the end of the period	2,944.58	2,436.91
<b>TOTAL</b>	<b>4,045.64</b>	<b>3,446.58</b>
<b>(Increase) / Decrease in Stocks</b>	<b>(599.06)</b>	<b>(573.31)</b>
<b>NOTE NO. 23</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
a) Salaries, Wages and Bonus	1,707.61	1,576.74
b) Contribution to Provident Fund	48.23	47.90
c) Workmen & Staff Welfare Expenses	68.10	35.21
d) Group Gratuity & Deposit Linked Insurance	28.44	31.83
e) Contribution to Employee State Insurance	11.46	11.06
<b>TOTAL</b>	<b>1,863.84</b>	<b>1,702.75</b>
<b>NOTE NO. 24</b>		
<b>FINANCE COST:</b>		
Interest on working capital & other loans	27.18	83.81
Bank Charges	36.64	18.97
<b>TOTAL</b>	<b>63.82</b>	<b>102.78</b>
<b>NOTE NO. 25</b>		
<b>DEPRECIATION &amp; AMORTISATION EXPENSE:</b>		
a) Depreciation on Property, Plant & Equipment	600.62	555.73
b) Amortisation of Intangible Assets	3.31	3.40
<b>TOTAL</b>	<b>603.93</b>	<b>559.13</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 25**

(Figures in Rs Lakhs)

Particulars	Current Year 31-03-2025	Previous Year 31-03-2024
<b>NOTE NO. 26</b>		
<b>OTHER EXPENSES:</b>		
Job Expenses	2,263.31	2,003.14
Stores Consumed	591.54	571.22
Packing Material Consumed	220.38	176.12
Carriage Inward	96.21	139.74
Power and Fuel	378.26	308.12
Repairs & Maintenance		
Building	16.66	9.65
Plant and Machinery	119.05	59.85
Others	130.43	103.35
Tools & Dies written off	26.17	22.72
Rent	56.26	56.26
Licenses and Taxes	34.32	55.27
Insurance	48.23	47.26
Printing & Stationery	16.70	15.45
Postage & Telephones	8.89	9.09
Travelling & Conveyance	39.41	32.55
Foreign Travelling Expenses	7.62	9.79
Vehicle Maintenance	12.23	19.13
Professional & Legal Charges	97.75	105.84
Selling & Distribution Expenses	24.70	23.30
Advertisement	66.08	1.41
Remuneration to Auditors:		
For Audit Fees	4.50	4.50
For Tax Audit Fees	1.50	1.50
Donations	0.12	0.12
C S R Expenses	44.87	26.73
General Expenses	90.73	109.16
Loss on Sale of fixed assets	6.94	7.45
R & D Expenditure	85.12	83.62
ECL/Provision for Doubtful Debts Expenses	42.00	41.00
Bad Debts Written Off	40.62	49.24
Penalties	56.89	-
<b>TOTAL</b>	<b>4,627.49</b>	<b>4,092.58</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 25

(Figures in Rs Lakhs)

## NOTE NO. 27

**1. Reconciliation of Tax Expenses**  
**INCOME TAX:**

Particulars	Current Year 31-03-2025	Previous Year 31-03-2024
<b>Amount recognized in statement of Profit and Loss account</b>		
Current Tax	819.67	719.16
Mat credit Entitlement	-	-
Deferred tax expenses - (Income)	-	-
Relating to organization and reversal	-	-
Deferred tax expense	113.16	31.01
<b>Total Income Tax Expense</b>	<b>932.83</b>	<b>750.17</b>
<b>Reconciliation of effective tax rate</b>		
Profit before tax	3,304.76	2,957.61
Enacted Tax Rate in India	25.17%	25.17%
Computed Tax Expense at Enacted tax in India	831.81	744.43
Effect of non-deductible expenses	25.61	6.76
Effect of Earlier Year Taxes	6.96	-
Others	68.46	(1.02)
	<b>932.83</b>	<b>750.17</b>
Effective tax rate	<b>28.23</b>	<b>25.36</b>

## NOTE NO. 28

**A. Deferred tax Liabilities (net)**

Particulars	As at 31-03-2025	As at 31-03-2024
<b>Deferred Tax Liabilities on:</b>		
Property, Plant and Equipment	703.63	583.29
Advance with Gratuity Fund		
<b>Deferred Tax Asset on:</b>		
Expenditure allowable on payment basis under Section 43B of Income Tax Act, 1961	(53.89)	(83.05)
<b>Deferred Tax Liability (Net)</b>	<b>649.74</b>	<b>500.24</b>

**B. Movement in deferred tax liabilities**

Particulars	Balance as on April 01, 2024	Recognised in P & L	Recognised in OCI	Balance as on March 31, 2025
<b>Deferred Tax Liabilities on:</b>				
Property, Plant and Equipment	583.29	120.34		703.63
<b>Deferred Tax Asset on:</b>				
Expenditure allowable on payment basis under Section 43B of Income Tax Act, 1961	(83.05)	7.18	14.67	(53.89)
<b>Net deferred tax charge/(income) and deferred tax liabilities</b>	<b>500.24</b>	<b>113.16</b>	<b>14.67</b>	<b>649.74</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 25**
**NOTE NO. 29**

(Figures in Rs Lakhs)

**Fair Value Measurement Hierarchy:**

Valuation techniques with significant unobservable inputs:

This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The following table provide the fair value measurement hierarchy of the company's assets and liabilities.

**Quantitative disclosures of fair value measurement hierarchy as at March 31, 2025**

Particulars	Fair Value hierarchy (level)	As at 31-03-2025	As at 31-03-2024
<b>Financial Asset measured at amortized cost</b>			
Loans to employees	3	<b>11.52</b>	11.44
Security Deposits	3	<b>38.78</b>	38.78

**Note No. 30**
**Financial Risk Management:**

The Company's activities expose it to market risk, credit risk and liquidity risk. Company's overall risk management focus on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

**I. Market Risk**

Market risk is the risk of loss of the future earnings, fair values or future cash flows that may result from a change in the price of a financial instruments. The value of a financial instrument may change as a result of changes in the interest rates. Foreign currency exchange rates, commodity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including instruments and deposits, foreign currency receivables, payable and borrowings.

**II. Commodity Risk**

Commodity price risk arises due to fluctuation in raw material (fifer prices) linked to various external factors, which can affect the production cost of the Company. The Company actively manages inventory and un may cases sale prices are linked to major raw material prices. These risks are reviewed and managed by senior management on continuous basis.

**III. Credit Risk:**

Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk its operating activities (primarily trade receivables) and from its financing/ investing activities including deposits with banks. The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. The company is receiving payments regularly from its customers and hence the Company has no significant credit risk.

**IV. Liquidity Risk**

Liquidity risk is defined as the risk that the company will not be able to settle or meet obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts based on expected cash flows.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 25**

(Figures in Rs Lakhs)

**V. Technology Risk**

The Company operates in a highly technical field with constant innovation and continuous evolution in technologies used. The company mitigates this risk through regular contact with customers, regular reviews of new technological trends, continuous improvement and investment in its manufacturing practices, along with investments in research, design, and development.

**NOTE NO. 31****CAPITAL MANAGEMENT:**

The Company's objectives when managing capital are to

1. Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and the benefits for other stakeholders.
2. Maintain an optimal capital structure to reduce the cost of Capital Consistent with others in industry, the company monitors capital on the basis of the following gearing ratio:

**Debt/to equity ratio**

Particulars	As AT 31-03-2025	As AT 31-03-2024
Debt	787.24	693.97
Equity	22,127.59	20,263.06
Debt to equity ratio	0.04	0.03

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2025 and March 31, 2024.

**NOTE NO. 32****CORPORATE SOCIAL RESPONSIBILITY:**

As per section 135 of the Companies Act 2013, a Company has to spend 2% of its average net profits of three immediate preceding financial Years as details below.

Particulars	Year Ended 31-03-2025	Year Ended 31-03-2024
a) Amount required to be spent by the Holding Company during the year	46.86	34.62
b) Amount of expenditure on construction/acquisition of any asset	-	-
c) Amount of expenditure other than B above	46.86	34.62
d) Short fall at the end of the year	1.99	7.89
e) Total of previous year carry forward adjustment	1.99	7.89
f) Details of related part transaction	-	-
g) Nature of CSR Activities		
a) Eradicating Hunger, Poverty and malnutrition activities		
b) Disaster Management activities		
c) Other Activities		
h) Amount spent during the year	44.86	26.73
i) Carry forward balance	37.94	39.93

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 25**
**NOTE NO. 33**

(Figures in Rs Lakhs)

**CONTINGENT LIABILITIES:**

Particulars	As at 31-03-2025	As at 31-03-2024
<b>A. Contingent Liabilities not provided for on account of</b>		
1. Towards Guarantees and Letters of credit issued by bank to the extent of	<b>174.92</b>	75.00
2. Goods & Service Tax Matters	<b>145.17</b>	143.86
<b>B. Commitments</b>		
<b>Capital Commitment</b>		
<b>Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities as follows:</b>		
Building, Plant and Equipment	<b>71.36</b>	10.88

**NOTE NO. 34**
**Employee benefits plan**
**a) Defined contribution plans**

Refer Note 23 for the Company's contribution to the defined contribution plans with respect to employee benefit funds i.e Provident Fund and Employees' State Insurance Scheme.

**b) Defined benefit plan**

The Group has a defined benefit gratuity plan (funded). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service, managerial grade and salary at retirement age.

**1. Changes in Present Value of obligations**

Particulars	Year Ended 31-03-2025	Year Ended 31-03-2024
Present Value of Obligations at the beginning of the year	<b>160.37</b>	137.03
Interest Cost	<b>12.58</b>	9.94
Current Service Cost	<b>15.06</b>	17.56
Benefits paid	<b>(17.49)</b>	(4.16)
Actuarial Loss on Obligation	<b>(28.94)</b>	
<b>Present Value of Obligation at the end of the year</b>	<b>141.58</b>	160.36

**Changes in the fair value of Plan Assets**

Particulars	Year Ended 31-03-2025	Year Ended 31-03-2024
Fair Value of plan assets at the beginning of the year	<b>188.94</b>	158.88
Actual return on plan assets	<b>12.58</b>	12.06
Contributions by the employer	-	18.01
Benefits paid	<b>(17.49)</b>	-
Actuarial (gain)/loss on plan assets	<b>0.79</b>	-
<b>Fair value of plan assets as at the end of the Year</b>	<b>184.82</b>	188.94

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 25**
**Calculation of benefit liability/(asset)**

(Figures in Rs Lakhs)

Particulars	Year Ended 31.03.2025	Year Ended 31.03.2024
Defined benefit obligation	-	188.94
Fairvalue of plan assets	184.82	188.94
Net defined benefit liability/(asset) as at the end of the year	(184.82)	-

**Assumptions**

Particulars	Year Ended 31.03.2025	Year Ended 31.03.2024
Discount Rate	6.98%	7.25%
Salary Growth Rate	5.00%	7.00%
Expected Rate of Return on Plan Assets	6.98%	-

**NOTE NO. 35**
**EARNINGS PER EQUITY SHARE:**

Particulars	Year Ended 31.03.2025	Year Ended 31.03.2024
a. Net Profit after tax all attributable to equity shareholders	2,371.93	2,207.44
b. Weighted average number of equity shares of Rs10/- each (in Numbers)	45,00,000	45,00,000
c. Earning per Equity Share (Basic and Diluted) (a) / (b)	<u>52.71</u>	<u>49.05</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 25**
**NOTE NO. 36**

(Figures in Rs Lakhs)

**ANALYTICAL RATIOS:**

S.No.	Ratio	Period	Numerator	Denominator	As at 31-03-2024	As at 31-03-2023	% of Variance	Reason for Variance
1.	Current Ratio	2025	16,948	3,474	4.88			
		2024	14,577	2,898		5.03	3.01	
2.	Debt-Equity Ratio	2025	787	22,578	0.03			
		2024	694	20,488		0.03	(2.94)	
3.	Debt Service Coverage Ratio	2025	-	-	0.00			
		2024	-	-		-	-	
4.	Return on Equity Ratio	2025	2,372	21,533	0.11			
		2024	2,207	19,503		0.11	2.68	
5.	Inventory Turnover Ratio	2025	5,395	7,055	0.76			
		2024	4,637	6,048		0.77	0.25	
6.	Trade Receivables Turnover Ratio	2025	15,570	3,282	4.74			
		2024	13,769	3,084		4.46	(6.26)	
7.	Trade Payables Turnover Ratio	2025	6,388	1,152	5.55			
		2024	5,363	1,069		5.02	(10.49)	
8.	Net Capital Turnover Ratio	2025	15,570	13,474	1.16			
		2024	13,769	11,680		1.18	1.98	
9.	Net Profit Ratio	2025	2,416	15,570	0.16			
		2024	2,207	13,769		0.16	3.23	
10.	Return on Capital Employed Ratio	2025	3,369	24,062	0.14			
		2024	3,060	21,674		0.14	0.85	
11.	Return on Investment Ratio	2025	-	-	-			There were no investments
		2024	-	-		-	-	

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 25****NOTE NO.37**

(Figures in Rs Lakhs)

**Title deeds of immovable properties:**

The title deeds of all the immovable properties, as disclosed in note no.2 to the financial statements, are held in the name of the Group.

**NOTE NO.38****Valuation of Property Plant & Equipment, intangible asset:**

The Company has not revalued its property, plant and equipment or intangible assets or both during the current year.

**NOTE NO.39****Loans or advances to specified persons:**

No loans or advances in the nature of loans are granted to Promoters, Directors, Key Management Personnels and the related parties(as defined under Companies Act,1913) either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.

**NOTE NO.40****Details of benami property held:**

No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

**NOTE NO.41****Borrowing secured against current assets:**

The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.

**NOTE NO.42****Wilful defaulter:**

The Group has not been declared wilful defaulter by any bank or financial institution or other lender.

**NOTE NO.43****Relationship with struck off Companies:**

The Group has no transactions with the Companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956

**NOTE NO.44****Registration of charges or satisfacton wth Registrar of Companies (ROC):**

The Group do not have any charges to be registered as at March 31, 2025 with the Registrar of Companies (ROC). However, as per the records available on the ROC portal, the below charges which were created by the Group in earlier years for borrowings availed are still appearing as unsatisfied. The Company is in the process of obtaining no-dues certificates/ other relevant documents from the respective lenders for taking the required action.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 25**

(Figures in Rs Lakhs)

Charge holder name	Amount	Charge holder name	Amount
The Industrial Credit and Investment Corporation of India Ltd	10.00	The industrial credit and investment corporation of India Ltd	5.00
Syndicate Bank	2.00	Syndicate Bank	2.00
The Industrial Credit and Investment Corporation of India Ltd	9.00	The Industrial Credit and Investment Corporation of India Ltd	37.50
Syndicate Bank	2.00	Syndicate Bank	24.00
Syndicate Bank	25.00	A.P. State financial Corporation	37.50
A.P. State financial Corporation	5.06	Andhra Bank	147.06
A.P. State financial Corporation	377.50	HDFC Bank Limited	1,290.00

**NOTE NO.45****Compliance with number of layers of companies:**

The Group has complied with the number of layers prescribed under the Section 2 (87) of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017.

**NOTE NO.46****Compliance with approved scheme(s) of arrangements:**

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

**NOTE NO.47****Utilisation of borrowed funds and share premium:**

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**NOTE NO.48****Undisclosed income:**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded previously in the books of account.

**NOTE NO. 49****Details of crypto currency or virtual currency:**

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 25**
**NOTE NO.50**

(Figures in Rs Lakhs)

**Utilisation of borrowings availed from banks and financial institutions:**

The borrowings obtained by the Group from banks and financial institutions have been applied for the purposes for which such loans were taken.

**NOTE NO. 51**
**Disclosure of Related party Transaction (As per Ind AS)**
**A. Key Management Personnel (KMP)**

Sri V. C. Janardan Rao	CMD (Till 29.09.2024)
Sri U. Sri Krishna	Whole-Time-Director (Executive)
Sri B. Narahari (Till 23.12.24)	Company Secretary and Compliance Officer
Mrs. K. Ramyanka Yadav ( Since 13.02.2025)	Company Secretary and Compliance Officer
Sri G. Subba Rao	C F O

**B. Non Executive Directors**

Sri Srinivas VG	Non-Executive and Non-Independent Director
Smt. U. Uma Devi	Non-Executive and Non-Independent Director
Sri G. Narayana Rao	Independent Director
Sri A. Suresh	Independent Director
Sri Manish Mohan Motwani	Independent Director

**C. Entities in which the Key Management and their relations are interested**

M/s. Veljan Hydrair Ltd.
M/s. Veljan Investments Ltd.
M/s. Suxus Systems Ltd.
M/s. JDM Hydro Pnuematics Ltd.
M/s. Ecmat Limited.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 25**
**A. Transactions during the Year**

(Figures in Rs Lakhs)

Particulars	Key Management Personnel*		Directors*		Enterprises in which the Key Management Personnel and their relatives are interested	
	Current Year 31-03-2025	Previous Year 31-03-2024	Current Year 31-03-2025	Previous Year 31-03-2024	Current Year 31-03-2025	Previous Year 31-03-2024
<b>i) Short-term employee benefits:</b>						
Remuneration	55.58	35.03	8.80	7.15	-	-
Commission	84.51	74.69	33.80	29.88	-	-
<b>ii) Sale of Goods:</b>						
Veljan Hydrair Limited					5,294.72	5,065.57
Ecmat Limited					1.00	0.08
Suxus Systems Limited					22.17	19.94
<b>iii) Purchase of Raw Materials, Goods &amp; Expenses</b>						
Veljan Hydrair Limited					40.58	73.24
Suxus Systems Limited					2,260.38	1,844.50
<b>iv) Rent Paid or Payable:</b>						
Veljan Investments Limited					60.83	60.83
<b>v) Job Work Expenses:</b>						
Ecmat Limited					2,501.79	2,187.65
<b>B. Balances as at 31.03.2025</b>						
Payables	86.94	78.15	33.80	29.88	728.89	515.51
Receivables					1,480.68	1,241.31

\* Post Employee Benefits are actuarially determined on overall basis and hence not separately provided

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 25****NOTE NO. 52**

(Figures in Rs Lakhs)

**DUE TO MICRO, SMALL & MEDIUM ENTERPRISES:**

The Micro, Small and Medium Enterprises have been identified on the basis of the information available with the company. This has been relied upon by the auditors. Due to such parties are given below.

Particulars	As at 31-03-2025	As at 31-03-2024
a) The principal amount remaining unpaid as at the end of the year.	839.21	605.50
b) The amount of interest accrued & remaining unpaid at the end of the year.	-	-
c) Amount of interest paid by the company in term of section 16 of MSMED Act, 2006 along with the amounts of payments made beyond the appointed date during the year.	-	-
d) Amount of interest due and payable for the period of delay in making payment without the interest specified under the MSMED Act, 2006.	-	-
e) The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	-	-

**NOTE 53****Segment information**

The Group deals in only one business segment of manufacturing and sale of Hydraulics products and the Chief Operating Decision Maker (CODM) reviews the operations of the Company as a whole, hence there is no reportable segments as per Ind AS 108 "Operating Segments". The management considers that the various goods provided by the Company constitutes single business segment, since the risk and rewards from these products are not different from one another. However the Company has disclosed the following geographical information as follows:

**Geographic information****a) Revenue from external customers**

Particulars	Year Ended 31.03.2025	Year Ended 31.03.2024
Within India	14,094.43	12,348.00
Outside India	1,475.50	1,421.28
<b>Total</b>	<b>15,569.94</b>	<b>13,769.28</b>

**b) Segment Assets**

Non-Current Operating Assets*	Year Ended 31.03.2025	Year Ended 31.03.2024
Within India	16277.68	14955.93
Outside India	1,581.73	1,318.79

\*Other than financial assets, deferred tax assets, Income Tax Asset

**c) Information about major customers**

There is 1 customer who individually contribute more than 10 percent of the entity's revenue.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 25**
**NOTE NO.54**

(Figures in Rs Lakhs)

**Subsequent Events**

The Board of Directors in their meeting held on 30th May 2025 have proposed a final dividend of Rs. 8.50/- per equity share for the year ended 31st March 2025 which is subject to the approval of shareholder at the ensuing Annual General Meeting and if approved, would result in a cash outflow of approximately Rs. 382.50 lakhs.

**NOTE NO.55**

Previous Year's figures have been regrouped wherever necessary to correspond with the current year's figures, except when otherwise stated, the figures are presented in Rs. Lakhs.

**As per our report of even date  
for BRAHMAYYA & CO**

Chartered Accountants  
Firm Regn. No. 000513S

**For and on behalf of Board of Directors**

**Shravan. K**  
Partner  
**Membership No. 215798**

**Srinivas VG**  
Director  
DIN:00181826

**U. Sri Krishna**  
ED & CEO  
DIN:008880274

Place: Hyderabad  
Date : 30-05-2025

**K. Ramyanka Yadav**  
CS & CO  
Membership No.A45483

**G. Subba Rao**  
C F O

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**VELJAN DENISON LIMITED**

(CIN: L29119TG1973PLC001670)

**Registered Office:** A18,19, A P I E, Balanagar, Hyderabad, Telangana – 500 037.**Phone:** +91-40-2776 3525 **Fax:** +91-40-23773963**Email:** comp\_secy@veljan.in **Website:** www.veljan.in**ATTENDANCE SLIP****51<sup>st</sup> 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 Friday, the 29<sup>th</sup> day of August, 2025 at 3.00 p.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.

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**VELJAN DENISON LIMITED**

(CIN: L29119TG1973PLC001670)

**Registered Office:** A18,19, A P I E, Balanagar, Hyderabad, Telangana – 500 037.**Phone:** +91-40-2776 3525 **Fax:** +91-40-23773963**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 &amp; 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: ..... or failing him:

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 51<sup>st</sup> Annual General Meeting of the Company on Friday, the 29<sup>th</sup> day of August, 2025 at 3.00 p.m. at Plot No. A 18 & 19, APIE, Balanagar, Hyderabad - 500 037, Telangana, India, or/any adjournment thereof in respect of such resolutions as per attachment enclosed.

**Ordinary Business:**

1. a) To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended on March 31, 2025 together with the reports of the Board of Directors and the Auditors thereon, and
- b) To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended on March 31, 2025 together with the report of the Auditors thereon
2. To declare a dividend of Rs. 8.50/- per equity share of Rs. 10/- each on the paid-up capital of Rs. 4.50 Crores of the paid-up capital for the financial year ended March 31, 2025.
3. To appoint a director in place of Mrs. Uma Devi Uppaluri (DIN.00125840), who retires by rotation and being eligible, offers herself for re-appointment.

**Special Business:**

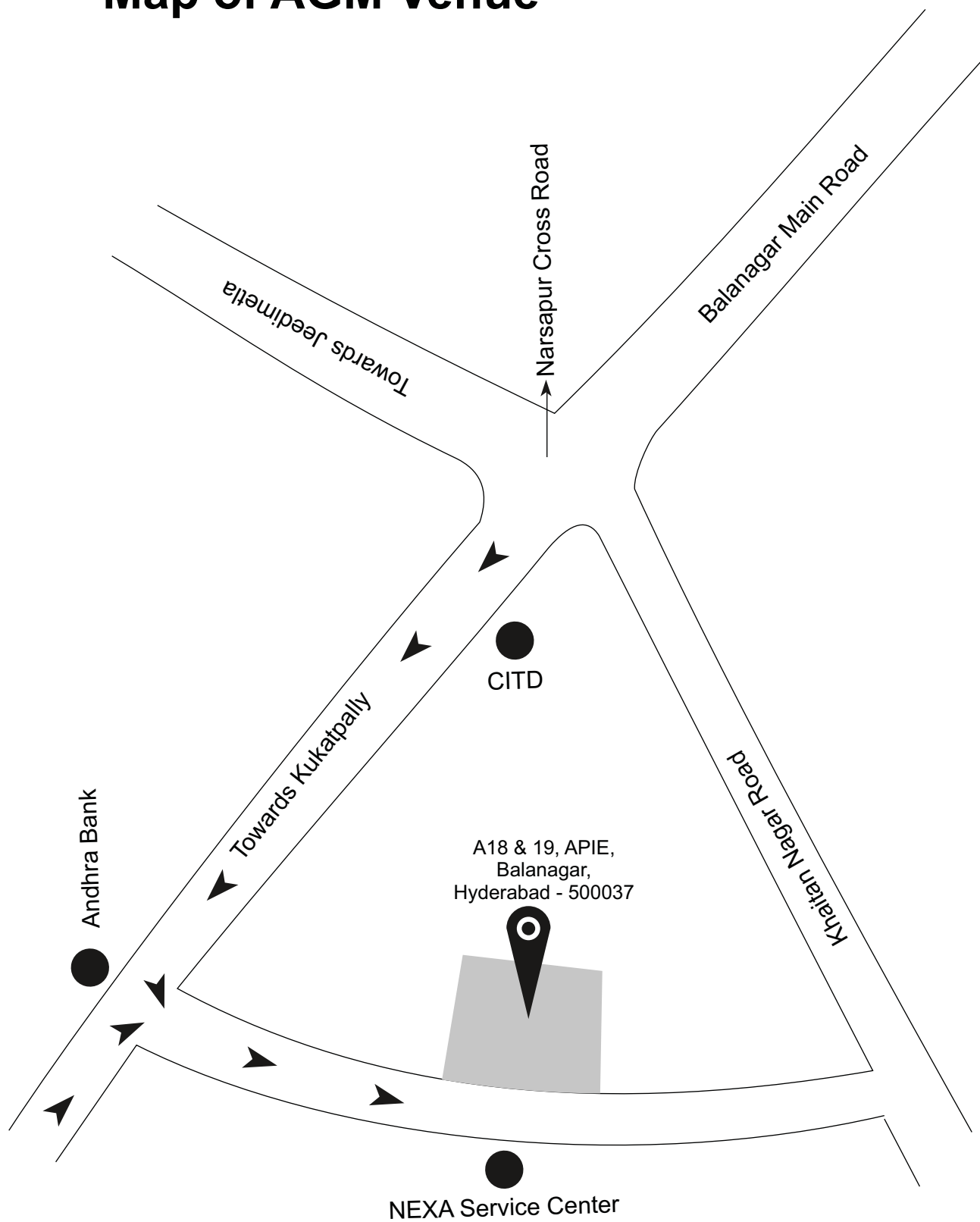
4. Appointment of Mr. Vidya Sagar Gannamani (DIN 10792128) as an Independent Director of the Company.
5. To re-designate Mr. Sri Krishna Uppaluri (DIN 08880274) Executive Director & CEO as Managing Director & CEO of the Company.
6. Appointment of M/s. Chakravarthy & Associates, Company Secretaries as Secretarial Auditor of the Company.
7. Ratification of the remuneration Cost Accountants for the financial year 2025-26
8. To approve material related party transaction to be entered with M/s Veljan Hydrair Limited, Related Party.
9. To approve material related party transaction to be entered with M/s ECMAT Limited, Related Party.
10. To approve material related party transaction to be entered with M/s Suxus Systems Limited, Related Party

Signed this ..... day of ..... 2025 (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.

## Map of AGM Venue





# Veljan Denison Limited

Regd. Office: A18,19, A P I E, Balanagar, Hyderabad, Telangana – 500 037

Factory: Plot No. 10A, Phase - 1, IDA, Patancheru, Sangareddy (Dist) - 502 319, Telangana, India.