

VEENA TEXTILES LIMITED

KOMARAPALAYAM - 638 183.



**50th ANNUAL REPORT
2016 - 2017**

VEENA TEXTILES LIMITED

KOMARAPALAYAM - 638 183

CIN : L17111TZ1968PLC000584

BOARD OF DIRECTORS

Shri K.S. Elavarashen
Shri R. Velmurugan
Shri A.Balasubramanian
Smt P. Selvamani

Chairman cum Managing Director
Independent Director
Independent Director
Independent Women Director

Bankers

The Karur Vysya Bank Ltd.,
Komarapalayam

Auditors

Shri. V. Ramesh B.Com., A.C.A.,
Chartered Accountant
Erode.

Audit Committee

Shri R. Velmurugan - Chairman
Shri K.S. Elavarashen
Shri A.Balasubramanian
Smt P. Selvamani

Nomination and Remuneration Committee

Shri R. Velmurugan - Chairman
Shri A.Balasubramanian
Smt P. Selvamani

Share Transfer Committee

Shri R. Velmurugan - Chairman
Shri A.Balasubramanian

Stake Holders Relationship Committee

Shri R. Velmurugan - Chairman
Shri K.S. Elavarashen
Shri A.Balasubramanian

Finance Committee

Shri K.S. Elavarashen - Chairman
Shri A.Balasubramanian

Marketing Committee

Shri K.S. Elavarashen - Chairman
Shri R. Velmurugan

Registered Office

309, Salem Main Road, Komarapalayam - 638 183. Namakkal District.

Phone : 04288 260815 E-mail ID : veena_vtl@yahoo.in Web : www.veenatextiles.com

CONTENTS	Page No.
Notice to Shareholders'	2
Directors' Report	7
Auditors' Report	28
Balance Sheet	33
Profit & Loss Account	34
Account Cash Flow Statement	35
Notes on Accounts	37

50th ANNUAL REPORT
2016 - 2017



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 50th Annual General Meeting (GM 1 of 2017-18) of the Company will be held on Saturday the 30th September 2017, at 10.35 A.M at 11-F, Gandhipuram, Komarapalayam, - 638 183, to transact the following business:

AGENDA

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statement Viz., Balance Sheet as at 31st March 2017, Profit and Loss Account for the year ended on that date, Cash Flow Statement, the Reports of Directors and Auditors thereon.
2. To appoint a Director in the place of Sri K S Elavarshen who retires by rotation and being eligible offers himself for reappointment.
3. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :

RESOLVED THAT pursuant to Section 139 (2) and other applicable provisions, if any of the Companies Act 2013 (Act) and the rules made there under, including any statutory modification/s or re-enactments thereof for the time being in force, the appointment of Mr. V. Ramesh B Com ACA Chartered Accountant, Erode (Membership Number 234812) as the Statutory Auditors of the Company for a period of 5 years to audit the accounts of the Company up to the financial year 31.03.2021 as passed at the Annual General Meeting held on 30.09.2016 to hold office from the conclusion of 49th Annual General Meeting until the conclusion of 54th Annual General Meeting be and are hereby ratified for the Financial year 2017-18.

RESOLVED FURTHER THAT a remuneration of Rs. 30,000/- (including expenses, if any, incurred by them in connection with the said audit but excluding Service Tax) be paid to the Statutory Auditors for the financial year 2017-18.

By order of the Board

K.S. Elavarshen

Chairman cum Managing Director

DIN No. 00007893

Place : Komarapalayam

Date : 24.05.2017

Notes :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



NOTICE OF ANNUAL GENERAL MEETING

2. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A proxy form is sent herewith. Proxies submitted on behalf of the Companies, Societies etc must be supported by an appropriate resolution / authority, as applicable.
3. As there is no special business the Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 does not arise.
4. The Register of Members and Share Transfer Books of the Company will remain closed from **24.09.2017 to 30.09.2017 (both days inclusive)** in connection with the Annual General Meeting.
5. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in 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 Registrar and Transfer Agent/the Company.
6. The relevant details as per the listing regulations in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
7. Electronic copy of the Annual Report 2017 is being sent to the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Annual Report 2017 is being sent in the permitted mode.
8. Electronic copy of the Notice of the 50th Annual General Meeting of the Company inter alia indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form is being sent to the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Notice of the 50th Annual General Meeting of the Company inter alia indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
9. Members may also note that the Notice of the 50th Annual General Meeting and the Annual Report 2017 will also be available on the Company's website www.veenatextiles.com for download. The Physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: veena_vtl@yahoo.in.
10. Voting through electronic means

Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the companies (Management and Administration) Rules 2014, and revised regulation 44 of the Listing Regulations the company is pleased to provide e-voting facility to its members to in respect of business to be transacted at the 50th Annual General Meeting (AGM). The business may be transacted through remote e-voting Services provided by Central Depository Services Limited (CDSL)



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



NOTICE OF ANNUAL GENERAL MEETING

11. M/s. C Thirumurthy and Associates, Practising Company Secretary (Membership No. FCS 3454 CP No. 5179) has been appointed as Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.
12. The voting through electronic means will be available from 27th September 2017, 9.00 A.M. to 29th September, 2017, 5.00 P.M. The Members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting system shall be disabled for voting thereafter.
13. The instructions for shareholders voting electronically are as under:-
- (i) The voting period begins on 27.09.2017 at 9.00 AM and ends on 29.09.2017 at 5.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23.09.2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iv) Click on Shareholders tab.
 - (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (vi) Next enter the Image Verification as displayed and Click on Login.
 - (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (viii) If you are a first time user follow the steps given below :

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
Demat	<ul style="list-style-type: none">● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field.● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.
Dividend Bank Details (OR) Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none">● If both the details are not recorded with the depository or company please enter the member id / folio number in the Divident Bank details field as mentioned in instruction (iv).



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



NOTICE OF ANNUAL GENERAL MEETING

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

As the Company, being a Listed Company and having more than 1000 Shareholders, it is compulsorily required to provide remote e-voting facility to its members in terms of Section 108 of the Companies Act, 2013 read with the Rules made there under and the Regulation 44 of the Listing Regulations voting by show of hands will not be available to the members at the 50th Annual General Meeting in view of



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



NOTICE OF ANNUAL GENERAL MEETING

provisions of Section 107 read with Section 114 of the said Act. Hence the items of Business given in this notice are proposed to be transacted through electronic voting/ ballot system/poll. The voting rights are available to the members who are the members as on 23rd September 2017 (cut off date for the purpose of exercising voting rights).

14. The facility for voting through ballot paper shall also be made available at the meeting and members attending the meeting who have not already casted their vote may exercise their vote through ballot paper at the meeting.
15. Kindly note that members can opt for only one mode of voting i.e., either by physical ballot at Meeting or through remote e-voting. If members are opting for remote e-voting then do not vote by Physical Ballot at AGM or vice versa. However, in case of Members casting their vote both by Physical Ballot and remote e-voting, then voting done through remote e-voting shall prevail and voting done by Physical Ballot at AGM will be treated as invalid.
16. The Scrutinizer shall immediately after the conclusion of Annual General Meeting first count the votes cast at the meeting and through Ballot Forms and thereafter unblock the votes in the presence of atleast two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against if any within 24 hours of conclusion of Annual General Meeting, forthwith to the Chairman of the Company.
17. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.veenatextiles.com and on the website of CDSL within 48 hours of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
18. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 A.M to 5.00 P.M.) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

By order of the Board

Place : Komarapalayam
Date : 24.05.2017

K.S. Elavarashen
Chairman cum Managing Director
DIN No. 00007893

DETAILS AS PER LISTING REGULATION / COMPANIES ACT 2013 OF THE APPOINTEE

Name of the Director	Sri. K.S. Elavarashen, B.Com.,
Date of Birth	01.01.1949
Date of Appointment	09.08.1991
Expertise in specific functional area	He is commerce graduate having more than 41 years experience in textile industry and he is well suited for proposed appointment.
Qualification	B.Com.,
Directorship held in other Public Companies (Excluding foreign and private companies)	NIL
Chairmanship / Membership of Committees in other Indian Public Companies	NIL
Shares in the Company - No. of Shares	3,75,460 Equity Shares of Rs.10/- each
Relationship between Directors inter-se	NIL



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



DIRECTORS' REPORT TO THE SHAREHOLDERS

LADIES AND GENTLEMEN :

Your Directors have great pleasure in presenting their 50th Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2017.

FINANCIAL RESULTS :

The financial results of the Company for the year under review are furnished below:

	(Rupees in lacs)	
	2016-2017	2015-2016
Sales	19.95	14.75
Other Income	-	0.76
Total Expenditure	24.67	27.12
Financial Charges	-	-
Gross Profit / (Loss)		
after interest before		
Depreciation and	-4.72	-12.36
Taxation		
Depreciation	4.10	4.29
Net Profit / (Loss)	-8.82	-16.66

DIVIDEND :

The Directors regretfully advise that no dividend is feasible this Year also, due to accumulated losses.

REVIEW OF OPERATION:

As stated in last year in view of tough competition from unorganized sector, the Company carried on trading in textile products. Now the Company have proposal to carry on the trading activities of textile products to cater larger markets.

FIXED DEPOSITS:

The Company has not accepted any deposits from the public during the year.

FINANCE:

Your Company has been regular in meeting its obligations towards payment of Principal and Interest wherever applicable except pending disputed term loan of IIBI before Debt Recovery Tribunal Chennai.

DIRECTORS:

During the year the Company has appointed Sri A. Balasubramanian as an Independent Director as required under the provisions of Section 149 of the Companies Act 2013 and SEBI (Listing Obligation and

Disclosure Requirements) Regulation 2015 at the Annual General Meeting held on 30.09.2016 and hold office upto 29th September 2021.

Sri K S Elavarashen, Director of the Company retires by rotation at the ensuing Annual General Meeting and are being eligible and offer himself for re-appointment.

KEY MANAGERIAL PERSONNEL:

Sri K.S. Elavarashen was re-appointed as Managing Director for a period of 5 years from 01.02.2017 to 31.01.2022 is Key Managerial Personnel of the Company and the Company is taking necessary steps to appoint a Company Secretary and Chief Financial Officer.

ANNUAL PERFORMANCE EVALUATION:

In line with the criteria evolved by the Nomination and Remuneration Committee, the performance of all Directors, Committees, Chairman etc., have been evaluated pursuant to the provisions of the Act and the Listing Regulations.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has an internal Control System, commensurate with its size, scale and complexity of its operations. Audit Committee oversees the internal control system of the Company.

MEETINGS:

During the Financial Year 2016-17 Five Board Meetings and Four Audit Committee Meetings were held. The details of which are given in Corporate Governance Report.

SIGNIFICANT & MATERIAL ORDER PASSED BY THE REGULATOR:

No significant and material order was passed by any Regulator and that have any impact on the going concern status and the operations of the Company.

ISSUE OF SHARES:

During the year under review the Company has not issued any shares.

COMMITTEES:

The Company has already formed the following Committees and the details are disclosed in the Report of the Corporate Governance forming part of the Report.



DIRECTORS' REPORT TO THE SHAREHOLDERS

Audit Committee
Nomination and Remuneration Committee
Stakeholders Relationship Committee
Share Transfer Committee
Finance Committee
Marketing Committee

POLICIES:

The Company has placed the following policies on its website: www.veenatextiles.com

Nomination and Remuneration Policy
Related Party Transaction Policy
Whistle Blower Policy
Risk Management Policy

RISK MANAGEMENT:

The Company has framed Risk Management Policy and in the opinion of the Board there appears to be no element of risk which may threaten the existence of the Company.

AUDITORS:

Mr. V. Ramesh B Com ACA Chartered Accountant, Erode (Membership Number 234812) was appointed as the Statutory Auditors of the Company for a period of 5 years to audit the accounts of the Company up to the financial year 31.03.2021 as passed at the Annual General Meeting held on 30.09.2016 and their appointment need ratification by the Members of the Company for the financial year 2017-18 at the ensuing Annual General meeting.

A Practising Company Secretary was appointed to undertake the Secretarial Audit of the Company.

The Company has appointed Sri R.S. Iniyan, Chartered Accountant, Komarapalayam as an Internal Auditor to hold office for a period of 5 years upto the financial year ended 31.03.2022.

The appointment of Cost Auditor is not applicable for the Company as the Company is a trading company and not taking any manufacturing or processing activities.

AUDITORS REPORT:

The Statutory Auditors Report to the Share holders does not contain any qualification.

The Report of Secretarial Auditors is annexed herewith.

REPLY TO SECRETARIAL AUDITORS REPORT:

The Company is taking effective steps to comply the matters qualified by the Secretarial Auditor.

PARTICULARS OF EMPLOYEES:

There were no employees, who were in receipt of remuneration of Rs.1,02,00,000/- per annum or Rs.8,50,000/- per month when employed for part of a year in accordance with the provisions of Section 197 (12) of the Act read with Rules 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134 (5) of the Companies Act, 2013, the Board of Directors of the Company hereby stated and confirms that.

- a. in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. that the Directors have arranged preparation of the accounts for the financial year ended March 31, 2017 on a going concern basis.
- e. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



DIRECTORS' REPORT TO THE SHAREHOLDERS

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTY:

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

Your Directors draw attention of the members to Note 25 to the financial statement which sets out related party disclosures.

VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The detail of vigil mechanism / Whistle Blower Policy is given in the Corporate Governance Report. Any reportable matters are informed to the Chairman of the Audit Committee to the E Mail ID provided.

INTERNAL CONTROL SYSTEMS AND ITS ADEQUENCY:

The Company has an Internal Control Systems commensurate with its operation.

RATIO OF REMUNERATION TO EACH DIRECTOR:

The Directors are entitled for sitting fees only and the details are provided in the Corporate Governance Report. The Managing Director has waived his remuneration and hence he was not paid any remuneration during the year.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED:

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the standalone financial statement is NIL.

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

During the year under review, the particulars required under Companies (Accounts) rules 2014, we report that there was neither energy conservation measures taken nor technology absorption was involved.

Foreign Exchange earned: Nil

Foreign Exchange used : Nil

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Your Company has always believed in providing a safe and harassment free workplace for every individual working in company premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Company strictly complying the provisions of the Sexual Harassment of Women at work place (Prevention, Prohibition and Redressal) Act, 2013.

The Company aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behavior.

During the year ended 31st March 2017, the Company has not received any complaints pertaining to sexual harassment.

EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92 (3) of the Act and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014 and extract of annual return in MGT 9 forms part of this report.

ACKNOWLEDGEMENT:

Your Directors wish to express their sincere thanks for the valuable co-operation and assistance extended by Government Authorities, Bankers, Shareholders and suppliers. They also wish to place on record their appreciation for the hard work and dedicated service put in by the employees at all levels.

By order of the Board

K.S. Elavarashen

Place : Komarapalayam

Chairman cum Managing Director

Date : 24.05.2017

DIN No. 00007893



DIRECTORS' REPORT TO THE SHAREHOLDERS

REPORT ON CORPORATE GOVERNANCE :

1. PHILOSOPHY OF CORPORATE GOVERNANCE

Veena Textiles Limited is well-known for its highest standards of Corporate Governance in all its activities and processes.

The Company always looks for achieving the highest Standards in finance for all its shareholders and for instilling a pride of association to others. The entire process begins with the functioning of the Board of Directors, men with wide experience on production and sales and a compactness in harvesting the best available resources. Systematic and concerted efforts are nicely blended to achieve its goal in economy and avoiding incompetence.

The following is a report on the status and progress on major aspects of corporate governance.

2. BOARD OF DIRECTORS

The Board of Directors comprises a good mix of non-executive independent directors.

(a) The composition of the Board of Directors as at 31st March, 2017 and the number of the directorship/ Committee memberships held by them are as under :

Sl No.	Name of Director	Executive / Non Executive Independent	Number of other directorship	Membership on other Board Committees
1.	Shri. K.S. Elavarashen	Executive	—	—
2.	Shri. R. Velmurugan	Non-Executive & Independent	—	—
3.	Shri. A. Balasubramanian	Non-Executive & Independent	—	—
4.	Smt. P. Selvamani	Non-Executive & Independent (Women Director)	—	—

The Number of Independent Directors is above half the total number of Directors. The composition of the Board is in conformity with Companies Act and Listing regulations.

None of the Directors on the Company's Board is a member of more than ten committees and Chairman of more than five committees across all companies in which he is a Director. The necessary disclosures regarding committee positions have been made by the Directors.

(b) Board Meetings and Attendance at Board Meetings & Annual General Meetings

The Board of Directors met Five times during the financial year 2016 -17 i.e. on 30.05.2016, 12.08.2016, 30.09.2016, 09.11.2016, and 10.02.2017. The attendance of each Board Meeting and the Annual General Meeting was as under:

Sl. No.	Name of Director	No. of Board Meetings attended	Attendance at last AGM	Salary	Other Benefit	Sitting fees
1.	Shri. K.S. Elavarashen	5	Yes	—	—	500
2.	Shri. R. Velmurugan	5	Yes	—	—	2500
3.	Shri. A. Balasubramanian	4	Yes	—	—	2000
4.	Smt. P. Selvamani	5	Yes	—	—	2500
5.	Shri. K. Varadharajan *	1	—	—	—	500

*Expired on 06.08.2016



DIRECTORS' REPORT TO THE SHAREHOLDERS

3. COMMITTEES OF THE BOARD

AUDIT COMMITTEE:

Overseeing the financial reporting process and direction of financial agenda, review of any Change in accounting policies and practices, compliance with accounting standards and reviewing the adequacy of control system as per guidelines under listing regulations as well as in Section 178 of the Companies Act, 2013. During the year under review Audit Committee was re-constituted with the following Members viz., Sri. R. Velmurugan as a Chairman and Sri K.S. Elavarashen, Sri A. Balasubramanian and Smt P. Selvamani as the Members of the Committee.

The Committee had four meetings during the year under review on 30.05.2016, 12.08.2016, 09.11.2016, and 10.02.2017.

NOMINATION AND REMUNERATION COMMITTEE:

The Committee held one meeting on 12.08.2016. Under the enhanced terms of reference, the scope of the Committee includes (a) identify/recommend to the Board persons qualified to become Directors and for appointment in senior management (b) formulate criteria for evaluation of Independent Directors and the Board (c) devise Board diversity policy (d) formulate Criteria relating to Directors and recommend remuneration policy relating to Directors, Key Managerial Personnel and other employees. All the Committee members present at the Meetings. During the year under review the Committee was re-constituted with the following Members viz., Sri.R.Velmurugan Chairman of the Committee, Sri.A.Balasubramanian and Smt.P.Selvamani as the Members of the Committee.

STAKEHOLDERS RELATIONSHIP COMMITTEE:

The role is to redress the grievances of shareholders, transfer of shares and dematerialization, complaints from shareholders are attended to without delay and are dealt with in a month's time. The committee meetings held during the year were smooth and no serious Grievance was brought to the notice. The committee held four meetings during the year under review on 30.05.2016, 12.08.2016, 09.11.2016, and 10.02.2017. All the Committee members present at the Meetings. During the year under review the Committee was re-constituted with the following Members viz., Sri.R.Velmurugan Chairman of the Committee, Sri.K.S.Elavarashen and Sri.A.Balasubramanian as the Members of the Committee.

SHARE TRANSFER COMMITTEE:

The Company has a Share Transfer Committee to consider and approve the transfer and transmission of shares of the Company. The committee held six meetings during the year under review on 28.05.2016, 18.06.2016, 09.07.2016, 23.07.2016, 22.10.2016 and 12.11.2016. All the Committee members present at the Meetings. During the year under review the Committee was re-constituted with the following Members viz., Sri.R.Velmurugan Chairman of the Committee, Sri.A.Balasubramanian as the Member of the Committee.

FINANCE COMMITTEE:

The committee held four meetings on 30.05.2016, 12.08.2016, 09.11.2016 and 10.02.2017. During the year and they covered financial problems, general accounts, Cost accounts and internal audit and controls. All the Committee members present at the Meetings. During the year under review the Committee was re-constituted with the following Members viz., Sri.K.S.Elavarashen, Chairman of the Committee, Sri.A.Balasubramanian as the Member of the Committee.

MARKETING COMMITTEE:

The role of the committee is to watch competitor's activities and be ever Vigilant, so as to channelise our force effectively. Sri.K.S.Elavarashen as Chairman assisted by Sri.R.Velmurugan directed the marketing operation.

The committee held four meeting during the year under review on 30.05.2016, 12.08.2016, 09.11.2016 and 10.02.2017. All the Committee members present at the Meetings.

4. GENERAL BODY MEETING

The location and time of last three annual general meetings are given below :

Financial year	Date	Time	Location
2013-2014	30.09.2014	10.00 A M	11-F, Gandhipuram Komarapalayam
2014-2015	30.09.2015	10.00 A M	11-F, Gandhipuram Komarapalayam
2015-2016	30.09.2016	10.00 A M	11-F, Gandhipuram Komarapalayam



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



DIRECTORS' REPORT TO THE SHAREHOLDERS

Details of Special resolutions passed in the previous three Annual General Meeting are as follows:

Date of AGM/EGM	Particulars of Special Resolution passed
30.09.2014	1. Fixing of Borrowing Limits 2. Create a charge on immovable / Movable properties of the Company
30.09.2015	Nil
30.09.2016	1. To re-appoint Sri. K.S. Elavarashen as Managing Director of the Company for a period of 5 Years from 01.02.2017 to 31.01.2022. 2. Appointment of Sri. A. Balasubramanian as Independent Director of the Company for a period of 5 Years to 01.02.2017 to hold Office upto 29th September 2021.

E VOTING:

In pursuance of the listing Agreement, E Voting facilities and voting at the AGM were extended to

all the shareholders of the Company for the current year.

5. OTHER DISCLOSURES

Except for general slackness in trade due to overall general economic recession, there was nothing untoward or abnormal. The year was a tough one for everyone and the industry which went through anxious spells as to how economy would swing had a real hard time. The company has not paid the listing fees for the Stock Exchanges of Ahmedabad and Mumbai due to financial constraint.

6. MEANS OF COMMUNICATION

The quarterly/ half-yearly unaudited financial results and the annual audited financial results together with the relative notices are published in Trinity Mirror, Makkal Kural. As enshrined by the stock exchange listing agreements, immediate transmission of data is also arranged to stock exchanges.

7. General Shareholder Information :

- a) Annual General Meeting
Date & Time : 30th September 2017, at 10.35 A.M.
Venue : 11F, Gandhipuram Main Road,
Komarapalayam - 638 183.
- b) Financial Calender
Annual General Meeting : 30th September 2018
Results for Q.E. 30.06.2017 : Second Week of Aug 2017
Results for Q.E. 30.09.2017 : Second Week of Nov 2017
Results for Q.E. 31.12.2017 : Second Week of Feb 2018
Results for Q.E. 31.03.2018 : Last Week of May 2018
- c) Book Closure Date : 24.09.2017 to 30.09.2017
(Both days inclusive)
- d) Dividend Payment Date : Not Applicable
- e) Listing of Equity Shares on : Mumbai, Ahmedabad, Stock Exchange
- f) Demat ISIN No : INE 728 E 01010
- g) Stock Market Date : Shares were not traded in any of the Stock Exchanges
- h) Registrars & Transfer Agents : M/s. S K D C Consultants Limited,
Kanapathy Towers, 3rd Floor,
1391/A-1, Sathy Road, Ganapathy,
Coimbatore - 641 006. Ph.: 0422 - 2539835 / 2539836
Fax : 0422 - 2539837 Email : info@skdc-consultants.com



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



DIRECTORS' REPORT TO THE SHAREHOLDERS

i) Share Transfer Systems : Presently share transfers which are recorded in physical form are processed within 21 days from the date of receipt subject to the documents being valid and complete in all respects. In respect of demat, the same is done within 30 days from the date of demat request.

j) (a) Share holding pattern as on 31.03.2017	No. of Shares	Percentage
01. Directors & relatives	2701720	33.63
02. Indian Financial Institutions Banks & Mutual Funds	1117500	13.91
03. Foreign Institutional Investors / NRIS	36200	0.45
04. Others	4179880	52.01

b) Distribution of Share holding as on 31.03.2017

(1) Value (Rs.)	(2) No. of Shareholders	(3) %	(4) Amount	(5) %
Upto 5,000	13671	92.97	25633000	31.90
5001 - 10,000	664	4.52	5078000	6.32
10,001 - 20,000	272	1.85	3780000	4.70
20,001 - 30,000	40	0.27	1019000	1.27
30,001 - 40,000	18	0.12	644000	0.80
40,001 - 50,000	8	0.05	384000	0.48
50,001 - 1,00,000	14	0.10	955000	1.19
1,00,001 and above	17	0.12	42860000	53.34
Total	14704	100.00	80353000	100.00

k) Dematerialization of Shares :

The shares of the company are available for demat and 79,05,400 shares were demated as on 31.03.2017 and the shares are not traded in any of the Stock Exchanges during the year under review. The Promoters have not demated their shares as required under the Companies Act 2013 and Listing Regulations till date.

l) Plant Location : All the Plants are located in Komarapalayam

m) Investor Correspondence : Secretarial Department
Veena Textiles Ltd., 309 Salem Main Road,
Komarapalayam - 638 183. Tel : 04288 - 260815
Fax : 04288 - 261982 E.mail : veena_vtl@yahoo.in

n) i) No. of complaints received from share holders : Nil

ii) No. of Complaints Not solved : Nil

iii) No. of Pending transfers : Nil

o) Compliance Officer : Sri K.S. Elavarashen



DIRECTORS' REPORT TO THE SHAREHOLDERS

8. RISK MANAGEMENT

The Risk Management Policy is disseminated in the website.

9. RELATED PARTY TRANSACTIONS (RPT)

There were no transactions with related parties during the year under review.

By order of the Board

K.S. Elavarashen

Place : Komarapalayam Chairman cum Managing Director
Date : 24.05.2017 DIN No. 00007893

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

(In terms of Regulation 34(3) and Schedule V (E) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015)

To

All the Shareholders of the Company

I have examined the compliance of conditions of Corporate Governance by Veena Textiles Limited for the year ended 31.03.2017 as stipulated in the relevant Clauses of the Listing Regulations of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of conditions of the Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

On the basis of the records and documents maintained by the Company and the information and explanations given to us, in our opinion, the Company has complied with the conditions of Corporate Governance as

stipulated in the above mentioned SEBI Listing Obligations & Disclosure Requirements) Regulations, 2015 detailed as under:

1. The Company has not paid the listing fees to the Stock Exchanges.
2. The website of the company is under construction during the time of audit and could not verify the posting of the Annual Report, Financial Results, Policies, Code, Shareholding Pattern, Corporate Governance Report etc., on its website.

I state that no investor grievance is pending for a period exceeding one month against the Company as per records maintained by the Shareholders' Relationship Committee.

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.

V. Ramesh, ACA

Place: Komarapalayam Chartered Accountant
Date : 24.05.2017 Membership No: 234812

MANAGEMENT DISCUSSION AND ANALYSIS

A. Industry Structure & Development:

The Textile Industry in India plays a vital role in the economy. It contributes around 14% to the industrial Production.

Provides direct and indirect employment to 30 million people.

The export of textile goods constitute around 27% of the country Exports. Veena Textiles Ltd continues to enjoy strong presence in Dhoty and Plain fabric market.



DIRECTORS' REPORT TO THE SHAREHOLDERS

B. Opportunities, Threats & Risks and concerns:

Indian Companies are facing intense competition from unorganized Sector with in the Country and from other Countries like Pakistan, China, Indonesia and Egypt.

C. Outlook:

The Company continues to be significant player in the plain and Dhoty Market and continuously innovating new value added products to maintain its Trade name "Veena"

D. Internal Control System and their adequacy:

The company has a proper and adequate internal control system to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transaction are authorized use or disposition and that transaction are authorized, recorded and reported correctly.

E. Financial and operational Performance:

Please refer the Board of Directors report on Financial Results.

F. Material Developments in Human Resources / Industrial Relations front:

The company recognizes the importance and contribution recognizes the Importance and development and committed to the development of its People.

G. Cautionary Statement:

Statements in the Management Discussion and Analysis describing Company's projections, estimates, expectations or predictions may be "forward looking predictions" within the meaning of Securities laws and Regulations. Actual results may differ from such estimates, Projections etc. whether expressed or implied.

COMPLIANCE WITH CORPORATE GOVERNANCE NORMS

The Company has complied with all the mandatory requirements Of Corporate Governance norms as enumerated in SEBI (LODR) regulations as and also the listing Agreement with Stock Exchanges.

DEMATERIALISATION

As from 02.01.2002, the Company has joined the dematerialization Process. M/s. S K D C Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore – 641 006 have been appointed as our authorized agents. Our demat identity no viz INE 728 E01010. Members are advised to contact their Depository Participants and get their Shares dematerialized early.

LISITING

Owing to severe financial crunch, there had been some outstanding in the listing fees to the Stock Exchange i.e., Coimbatore, Chennai Mumbai & Ahmedabad and we have explained the circumstances to the various Stock Exchanges.

PARTICULARS OF EMPLOYEES

a) No employee of the Company was in receipt of remuneration during the financial year 2016-2017 in excess of the sum prescribed under section 134 of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

CONSERVATIONS OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pursuant to section 134 (3) (m) of the Companies Act, 2013, read with the Rule 8(3) Companies (Accounts) rules 2014, is given in the Annexure to the report.

ENVIRONMENT & SAFETY

The Company has taken various steps to attain high level of safety in all its manufacturing units and we are happy to inform that there were no untoward incidents during the year under consideration. Strict measures were taken to keep the environments clean and free from pollution.



DIRECTORS' REPORT TO THE SHAREHOLDERS

DECLARATION

To

Members of Veena Textiles Ltd.

This is to decide that the code of conduct envisaged by the Company for members of the Board and Senior Management Personnel have been complied with by all the members of the Board and Senior Management Personnel of the Company respectively.

For and on behalf of the Board of Directors

K.S. Elavarashen

Place : Komarapalayam Chairman cum Managing Director
Date : 24.05.2017 DIN No. 00007893

CEO / CFO CERTIFICATION

In relation to the Audited financial accounts of the Company as at 31st March 2017, I hereby certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2017 and to the best of our knowledge and belief:
- these statements do not contain any materiality untrue statement or omit any material fact or contain statements that might be misleading;
 - these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2017 are fraudulent, illegal or volatile of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control system of the Company pertaining to internal control and financial reporting. Deficiencies in the design or Operation of such internal controls, if any, of which we are aware that we have been disclosed to the auditors and the Audit committee the design or operation of such internal controls and steps have been taken to rectify these deficiencies design and operations of the Internal controls:

- There were no deficiencies in the design or operation of internal controls that could adversely affect the company.
- There has not been any significant change in internal control over financial reporting during the year under reference;
- There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
- We are not aware of any instance during the year of significant fraud with involvement therein of the management of any employee having a significant role in the Company's internal control system over financial reporting.

For and on behalf of the Board of Directors

K.S. Elavarashen

Place : Komarapalayam Chairman cum Managing Director
Date : 24.05.2017 DIN No. 00007893

The above Corporate Governance Report has been placed before the Board of Directors at their meeting held on 24.05.2017 and the same was approved thereat.



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



DIRECTORS' REPORT TO THE SHAREHOLDERS

ANNEXURE TO DIRECTORS' REPORT

Pursuant to Section 134(3)(m) of the Companies Act, 2013 and Rule 8 of Companies (Accounts) Rules 2014

A. CONSERVATION OF ENERGY AS PRESCRIBED IN FORM A

	2016-2017	2015-2016
a. Power and Fuel Consumption		
1. Electricity		
(a) Purchased		
Units	Nil	Nil
Total Amount (Rs.)	Nil	Nil
Rate / Unit (Rs.)	Nil	Nil
(b) Own Generation		
(1) Through diesel generation		
Units	Nil	Nil
Units per ltr. of diesel oil		
Rate / Unit (Rs.)	Nil	Nil
Rate / Unit (Rs.)	Nil	Nil
2. Coal	Nil	Nil
3. Furnance Oil	Nil	Nil
4. Others	Nil	Nil
	Rs. Ps.	Rs.Ps.
(b) Consumption per unit of Production		
Product : Electricity	Nil	Nil
Automatic Looms / Terry	Nil	Nil
Looms (Per Meter)	Nil	Nil
Embroidered Fabrics (Per Meter)	Nil	Nil
Yarn (Per Kilo Gram)	Nil	Nil

B. TECHNOLOGY ABSORPTION AS PRESCRIBED IN FORM B

	2016-2017	2015-2016
1. Research and Development (R & D)	Nil	Nil
(a) Specific are as in which R & D carried out by the Company :	Nil	Nil
(b) Benefits derived as a result of the above R & D :	Nil	Nil
(c) Future plan of action :	Nil	Nil
(d) Expenditure on R & D	Nil	Nil
(i) Capital	Nil	Nil
(ii) Recurring	Nil	Nil
(iii) Total	Nil	Nil
(iv) Total R&D expenditure percentage to total turnover	Nil	Nil

2. Technology Absorption, Adaptation and Innovation.

The Company always keeps itself updated with all latest technological and consulting experts. Efforts are being made to reduce cost and to improve performance.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO (Rupees in '000)

	31-3-2017	31-3-2016
a. Earnings		
I. Export Sales	Nil	Nil
II. Freight & Insurance	Nil	Nil
b. Expenditure		
Spares & Accessories purchased	Nil	Nil

For and on behalf of the Board of Directors

K.S. Elavarashen

Place : Komarapalayam Chairman cum Managing Director

Date : 24.05.2017 DIN No. 00007893



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST March, 2017

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

To,
The Members,
M/s Veena Textiles Limited
309, Salem Main Road, Komarapalayam – 638 183.

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

Based on my verification of the Company 's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- a) The Companies Act, 2013 (the Act) and the rules made there under and the Companies Act 1956 (to the extent applicable)
- 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;
- e) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:-

The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

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;

The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998;



SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST March, 2017

- f) and other applicable laws to a Textile Industry viz., Textile Control Orders, Textile Committee Produce Cess Act, Textile (Development and Regulation) Order etc.,

As per the information and explanation provided by the management and officers of the Company and also on verification of reports and certificates of professionals I report that adequate systems are in place to monitor and ensure compliance of Laws relating to Direct and Indirect Taxes, Labour and other Legislations.

I have also examined compliance with the Listing Agreement and applicable Regulations of the Securities Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following:

1. The Company has not paid the listing fees to BSE and The Stock Exchange of Ahmedabad and the trading of the scripts were suspended.
2. The Company has not posted the Policies, Code, Shareholding Pattern, Corporate Governance Report etc., on its Website www.veenatextiles.com
3. The Annual Report was stated to have been dispatched to individual shareholders by ordinary post.
4. IFCI Limited has filed a case against the Company for the recovery of the due which was assigned by IIBI Limited and the case is pending before the Hon'ble DRT-II Chennai.
5. The Company has filed a case against IFCI Limited in Hon'ble Madras High Court, Madurai Bench disputing IFCI's claim against the Company.
6. Sri K S Elavarashen Managing Director and four other shareholders have filed a case against the Company and M/s SKDC Consultants Limited against effecting transfer of shares of the Company held by ICICI Venture Fund Limited and ICICI Trusteeship Services Limited to Amrex Marketing Private Limited and the case is pending.
7. The Company and its two Directors are under defaulters list of Reserve Bank of India as guarantor to the Company for the credit limit availed by the Company from IIBI Limited, ICICI Bank Limited and State Bank of India. The Company stated that it has closed the loans of ICICI Bank Limited and State Bank of India. The loan availed from IIBI Limited has been assigned by IIBI Limited to IFCI Limited and the case is pending before DRT II Chennai and Hon'ble Madras High Court Madurai,
8. The Company stated to have complied with all other applicable Acts, Rules, Regulations, Guidelines, Standards, etc. including the laws mentioned above. I have test checked the compliance and have not found any non compliance.
9. The Company yet to demat its Promoters holding.
10. The Company has not appointed Company Secretary and Chief Financial Officer as required under the Act.



VEENA TEXTILES LIMITED

KOMARAPALAYAM - 638 183



SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST March, 2017

I further report that

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.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

Place: Komarapalayam

Date : 24.05.2017

K Radhakrishnan, B.Com., ACS.,
Practising Company Secretary,
ACS No. 30614 CP No. 16911

This report is to be read with my letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

'Annexure A'

To,
The Members,
M/s Veena Textiles Limited
309, Salem Main Road, Komarapalayam – 638 183.

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

1. Maintenance of secretarial records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices. I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. I have obtained the Management representation about the Compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Komarapalayam

Date : 24.05.2017

K Radhakrishnan, B.Com., ACS.,
Practising Company Secretary,
ACS No. 30614 CP No. 16911



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



ANNEXURE FORMING PART OF DIRECTORS' REPORT :

Form No. MGT-9

ANNUAL RETURN

As on the financial year ended on 31/03/2017

Of

Veena Textiles Limited

[Pursuant to Section 92(3) of the Companies Act, 2013

And

Rule 12(1) of the Companies (Mgt. and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN:	L17111TZ1968PLC000584	
ii)	Registration Date [DDMMYY]	08/04/1968	
III)	Name of the Company	Veena Textiles Limited	
iv)	Category of the Company [Pl. tick]	1. Public Company	√
		2. Private Company	
	Sub Category of the Company [Please tick whichever are applicable]	1. Government Company	
		2. Small Company	
		3. One Person Company	
		4. Subsidiary of Foreign Company	
		5. NBFC	
		6. Guarantee Company	
		7. Limited by shares	√
		8. Unlimited Company	
		9. Company having share capital	√
		10. Company not having share capital	
		11. Company Registered under Section 8	
v)	Address of the Registered Office and contact details	309, SALEM MAIN ROAD KOMARAPALAYAM 638 183 Namakkal District Contact : 04288 260815 Email : veena_vtl@yahoo.in	
vi)	Whether Listed Company	Yes	
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	S.K.D.C Consultants Limited Kanapathy Towers, 3 rd Floor, 1391/A1, Sathy Road, Ganapathy, Coimbatore – 641 006 Contact : 0422 6549995 Email : info@skdc-consultants.com	



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



ANNEXURE FORMING PART OF DIRECTORS' REPORT :

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SN	Name and Description of main products / services	NIC Code of the Product/service%	% to total turnover of the company
1	Trading of Textiles	520721	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

[No. of Companies for which information is being filled]

SN	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares Held Section	Applicable
1	Not applicable				
2					
3					

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

Category of shareholders	No. of Shares held at the beginning of the year (As on 31.03.2016)				No. of Shares held at the end of the year (As on 31.03.2017)				% of change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A) Promoters									
(1) Indian									
a) Individuals/ Hindu Undivided Family	-	2701720	2701720	33.62	-	2701720	2701720	33.62	-
b) Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
e) Any Others (Specify)	-	-	-	-	-	-	-	-	-
TRUSTS	-	-	-	-	-	-	-	-	-
Sub Total(A)(1)	-	2701720	2701720	33.62	-	2701720	2701720	33.62	-
(2) Foreign									
a) Individuals (Non-Residents Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
b) Bodies Corporate	-	-	-	-	-	-	-	-	-
c) Institutions	-	-	-	-	-	-	-	-	-
d) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
e) Any Others(Specify)	-	-	-	-	-	-	-	-	-
Sub Total(A)(2).	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	-	2701720	2701720	33.62	-	2701720	2701720	33.62	-



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



ANNEXURE FORMING PART OF DIRECTORS' REPORT :

Category of shareholders	No. of Shares held at the beginning of the year (As on 31.03.2016)				No. of Shares held at the end of the year (As on 31.03.2017)				% of change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(B) Public shareholding									
(1) Institutions									
a) Mutual Funds/ UTI	-	860600	860600	10.71	-	860600	860600	10.71	-
b) Financial Institutions / Banks	300	256600	256900	3.20	300	256600	256900	3.20	-
c) Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
e) Insurance Companies	-	-	-	-	-	-	-	-	-
f) Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
g) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
h) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
i) Any Other (specify)	-	-	-	-	-	-	-	-	-
FOREIGN PORTFOLIO INV (CORP.CAT)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	300	1117200	1117500	13.91	300	1117200	1117500	13.91	0.000
(2) Non-institutions									
a) Bodies Corporate									
i) Indian	1000	43100	44100	0.55	2600	43100	45700	0.57	0.02
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs 2 lakh	123500	3586200	3709700	46.17	125400	3581700	3707100	46.14	-0.03
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	-	425680	425680	5.30	-	425680	425680	5.30	-
c) Others (specify)									
NON RESIDENT INDIANS	200	36000	36200	0.45	200	36000	36200	0.45	-
HINDU UNDIVIDED FAMILIES	400	-	400	0.01	1400	-	1400	0.01	-
Sub-Total (B)(2)	125100	4090980	4216080	52.47	129600	4086480	4216080	52.47	0.000
Total Public Shareholding (B)= (B)(1)+(B)(2)	125400	5208180	5333580	66.38	129900	5208180	5333580	66.38	0.000
C.Shares held by Custodian for GDRs & ADRs									
GRAND TOTAL (A)+(B)+(C)	125400	7909900	8035300	100.00	129900	7905400	8035300	100.00	0.000



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



ANNEXURE FORMING PART OF DIRECTORS' REPORT :

(ii) Shareholding of Promoters-

SN	Shareholders Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% of change during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	SOUNDAPPAN S.S.M.(H.U.F)	359940	4.479	-	359940	4.479	-	-
2	ELAVARASHEN K.S. (H.U.F.)	372400	4.635	-	372400	4.635	-	-
3	PUSHPA .E.	391340	4.870	-	391340	4.870	-	-
4	MANI S.	293540	3.653	-	293540	3.653	-	-
5	ELAVARASHEN K.S.	375460	4.673	-	375460	4.673	-	-
6	SOUNDAPPAN .S.S.M	362140	4.507	-	362140	4.507	-	-
7	RAVINDRAN .K.PE	371900	4.628	-	371900	4.628	-	-
8	YAZHVEENA FINANCE AND INVESTMENTS LTD	175000	2.178	-	175000	2.178	-	-
	TOTAL	2701720	33.623	-	2701720	33.623	-	-

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

SN		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	—	—	—	—
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus/ sweat equity etc):	—	—	—	—
	At the end of the year	—	—	—	—

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

SN	For each of top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of shares	%	No. of shares	%	No. of shares	%
1	UNIT TRUST OF INDIA (A/C VECAUS - II)	500000	6.22	500000	6.22	500000	6.22
2	ICICI TRUSTEESHIP SERVICES LIMITED	360600	4.49	360600	4.49	360600	4.49
3	RATHINAM .S	351180	4.37	351180	4.37	351180	4.37
4	INDUSTRIAL INVESTMENT BANK OF INDIA LTD	250000	3.11	250000	3.11	250000	3.11
5	MANUBHAI N PATEL	36000	0.45	36000	0.45	36000	0.45



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



ANNEXURE FORMING PART OF DIRECTORS' REPORT :

SN	For each of top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of shares	%	No. of shares	%	No. of shares	%
6	PANKAJ JAYANTILAL PATEL	29500	0.37	29500	0.37	29500	0.37
7	ANIL JAMNADAS DATTANI	22500	0.28	22500	0.28	22500	0.28
8	BHARAT JAMNADAS DATTANI	22500	0.28	22500	0.28	22500	0.28
9	SHASUN LEASING & FINANCE PVT.LTD	12000	0.15	12000	0.15	12000	0.15
10	BHARAT JAMNADAS DATTANI	9100	0.11	9100	0.11	9100	0.11

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Elavarashen K .S.	375460	4.67	375460	4.67	375460	4.67

V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	98.75	-	-	98.75
ii) Interest due but not paid	59.02	-	-	59.02
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	157.77	-	-	157.77
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	98.75	-	-	98.75
ii) Interest due but not paid	59.02	-	-	59.02
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	157.77	-	-	157.77



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



ANNEXURE FORMING PART OF DIRECTORS' REPORT :

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN	Particulars of Remuneration	Name of Managing Director - K.S. Elavarashen				Total Amount
1	Gross salary	—	—	—	—	—
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	—	—	—	—	—
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—	—	—	—
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	—	—	—	—	—
2	Stock Option	—	—	—	—	—
3	Sweat Equity	—	—	—	—	—
4	Commission - as % of profit - others, specify ...	—	—	—	—	—
5	Others, please specify	500	—	—	—	500
	Total (A)	500	—	—	—	500
	Ceiling as per the Act	—	—	—	—	—

B. Remuneration to other directors

SN	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	R.Velmurugan	A.Balasubramanian	P. Selvamani	K.Varadharajan	
	Fee for attending board committee meetings	2500	2000	2500	500	7500
	Commission	—	—	—	—	—
	Others, please specify	—	—	—	—	—
	Total (1)	2500	2000	2500	500	7500
2	Other Non-Executive Directors	—	—	—	—	—
	Fee for attending board committee meetings	—	—	—	—	—
	Commission	—	—	—	—	—
	Others, please specify	—	—	—	—	—
	Total (2)	—	—	—	—	—
	Total (B) = (1 + 2)	2500	2000	2500	500	7500
	Total Managerial Remuneration	—	—	—	—	—
	Overall Ceiling as per the Act	—	—	—	—	—

C. Remuneration to Key Managerial Personnel other than MD / Managers / WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	—	—	—	—
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	—	—	—	—
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—	—	—
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—	—



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



ANNEXURE FORMING PART OF DIRECTORS' REPORT :

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
2	Stock Option	—	—	—	—
3	Sweat Equity	—	—	—	—
4	Commission	—	—	—	—
	- as % of profit	—	—	—	—
	others, specify...	—	—	—	—
5	Others, please specify	—	—	—	—
	Total	—	—	—	—

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board

Place : Komarapalayam
Date : 24.05.2017

K.S. Elavarashen
Chairman cum Managing Director
DIN No. 00007893



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



AUDITOR'S REPORT TO THE SHAREHOLDERS

INDEPENDENT AUDITORS' REPORT

TO

THE MEMBERS OF

VEENA TEXTILES LIMITED

Komarapalayam - 638 183.

Report on the Financial Statements

I have audited the accompanying financial statements of VEENA TEXTILES LIMITED, which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

Opinion

In my opinion and to the best of our information and according to the explanations given to me, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017; and
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and cash flows for the year ended on that date/

Report on other Legal and Regulatory Requirements

The Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in term of sub-section (11) of section 143 of the Companies Act, 2013, are applicable to this company and the statement is enclosed.



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



AUDITOR'S REPORT TO THE SHAREHOLDERS

As required by section 143 (3) of the Act, I report that:

- a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief are necessary for the purposes of our audit.
- b) In my opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) the Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017, from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the other matters included in the Auditor's Report and to the best of my information and according to the explanations given to me :
 - i. The Company has no pending litigation on the financial position in its 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

V. Ramesh, ACA

Place: Komarapalayam Chartered Accountant
Date : 24.05.2017 Membership No: 234812

Annexure to the Independent Auditor's Report

The Annexure referred to in my independent Auditor's Report to the members of the company in the standalone financial statements for the year ended 31/03/2017

1. In respect of Fixed Assets:
 - a. The company has generally maintained proper records showing particulars, including quantitative details and situations of fixed assets.
 - b. The company has phased programme of physical verification of fixed assets which in my opinion is reasonable having regard to the size of the company and the nature of its business; accordingly, the physical verification of the fixed assets was carried out by the management and no material discrepancies were noticed on such verification.
2. In respect of inventories:
 - a. Physical verification of inventories other than those held by the third parties have been conducted by the management.
 - b. The procedures of physical verification of inventories, followed by the management are in my opinion reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. The company is maintaining proper record of inventory. Discrepancies which were noticed on physical verification of inventory, as compared to book records, have been properly dealt with the books of account.
3. a. According to the information and explanations given to me, during the year, the company has not taken any unsecured loan from other parties listed in the register maintained under Sec. 189 of the Companies Act, 2013.



AUDITORS' REPORT TO THE SHAREHOLDERS

- b. The terms and conditions and the rate of interest of the loans are prime facie not prejudicial to the interests of the company.
 - c. The principal in part for the above loans whether repaid during the year is not applicable.
 - d. The interest for the above loans whether partly repaid not applicable to the company.
 - e. In view of the terms and conditions as explained to me the principle and interest have not become overdue for payment.
4. In my opinion and according to the information and explanations and representations given to me, there are generally adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and for sale of goods. During the course of our previous assessment, no major weakness in internal control had come to my notice.
 5. To the best of my knowledge and belief and according to the information and explanations given to me, the company has complied with the provisions of Sec. 73 to 76 of the Companies Act, 2013 and the rules framed there under.
 6. Cost records have not been prescribed to the company.
 7.
 - a. According to the records of the company, it has been regularly depositing undisputed statutory dues like investor protection fund, provident fund, income tax, wealth tax, sales tax, customs duty, service tax, central excise duty and cess and other statutory duties with appropriate authorities.
 - b. According to the information and explanations given to me, no undisputed amount payable in respect of income tax, wealth tax, sales tax, customs duty, service tax, excise duty and cess were in arrear as at 31st March, 2017 for a period more than six months from the date they became payable.
 - c. According to the information and explanation given to me, there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of dispute.
 - d. According to the information and explanation given to me, there are no amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made there under.
 8. The accumulated loss at the end of the financial year has exceeded its 50% of the net worth. There is cash loss during the year and also in the immediately preceding financial year.
 9. According to the information and explanation given to me and the representations made by the management, the company has not given any guarantee for loans taken by others from any bank or financial institutions.
 10. The company has not received any term loan during the year under review. No short term funds were utilised for long term purposes.
 11. According to the information and explanation given to me, no fraud on or by the company has been noticed or reported during the year.
 12. The company has not repaid the dues to the financial institutions as detailed below:
IIBI 91,75,619/- outstanding since 1996
 13. According to the information and explanations given to us, and the representations made by the management, the company has not given any guarantee for loans taken by the others from any bank or financial institution.
 14. The Company has not received any new term loan during the year under review.



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



AUDITORS' REPORT TO THE SHAREHOLDERS

15. According to the information and explanations given to us no fraud on or by the company has been noticed or reported during the year.
16. The Company has not paid the Managing Directors remuneration.
17. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
18. In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where ever applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. As required by the applicable accounting standards.
19. During the year the Company has not made any preferential allotment or private placement of shares of fully partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
20. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
21. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

V. Ramesh, ACA

Place: Komarapalayam Chartered Accountant
Date : 24.05.2017 Membership No: 234812

ANNEXURE-B TO INDEPENDENT AUDITORS REPORT

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

We have audited the internal financial controls over financial reporting of **VEENA TEXTILES LIMITED** ("the Company") as of 31st March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



AUDITORS' REPORT TO THE SHAREHOLDERS

by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

V. Ramesh, ACA

Place: Komarapalayam

Chartered Accountant

Date : 24.05.2017

Membership No: 234812



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



BALANCE SHEET AS AT 31ST MARCH 2017

In ₹

PARTICULARS	NOTE	31-03-2017	31-03-2016
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2.1	80353000.00	80353000.00
Reserves & Surplus	2.2	-16415599.75	-15534049.65
Money received against share warrants		-	-
		<u>63937400.25</u>	<u>64818950.35</u>
Share application money pending allotment		-	-
NON CURRENT LIABILITIES			
Long-Term Borrowings	2.3	9175619.00	15777620.00
Deferred Tax Liabilities (Net)		-	-
Other Long Term Liabilities		-	-
Long-Term Provisions		-	-
		<u>9175619.00</u>	<u>15777620.00</u>
CURRENT LIABILITIES			
Short-Term Borrowings		-	-
Trade payables	2.4	476830.00	2953380.00
Other Current Liabilities	2.5	19500.00	10207820.00
Short-Term Provisions	2.6	-	600970.00
		<u>496330.00</u>	<u>13762170.00</u>
Total		<u>73609349.25</u>	<u>94358740.35</u>
ASSETS			
NON CURRENT ASSETS			
Fixed Assets			
Tangible Assets	2.7	3884890.00	4295050.00
Intangible Assets		-	-
Capital Work in Progress		-	-
Intangible assets under development		-	-
		<u>3884890.00</u>	<u>4295050.00</u>
Non Current Investments	2.8	139800.00	139800.00
Deferred Tax Assets (Net)		-	-
Long Term Loans and Advances		-	-
Other Non Current Assets		-	-
		<u>4024690.00</u>	<u>4434850.00</u>
CURRENT ASSETS			
Current Investments		-	-
Inventories	2.9	15010730.00	15589960.00
Trade Receivable	3.0	49596485.50	31832010.00
Cash and Cash Equivalents	3.1	1190032.42	125790.35
Short-Term Loans and Advances	3.2	3787411.33	42376130.00
Other Current Assets		-	-
		<u>69584659.25</u>	<u>89923890.35</u>
Total		<u>73609349.25</u>	<u>94358740.35</u>

Significant Accounting Policies and Notes 2.1 to 3.2
Attached to the Balance Sheet form an Integral part thereof.

For and on Behalf of the Board

To be read with my report of even date

K.S. Elavarashen
Chairman cum Managing Director
DIN No. : 00007893

R. Velmurugan
Director
DIN No. : 00010341

Date : 24.05.2017
Place : Komarapalayam

V. RAMESH, ACA
Chartered Accountant
Membership No. 234812



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31/03/2017 In ₹

PARTICULARS	NOTE	31-03-2017	31-03-2016
INCOME			
Revenue from operations	3.3	1995046.00	1475440.00
other Income	3.4	-	760.00
Total Revenue		1995046.00	1476200.00
EXPENSES			
Cost of materials consumed		-	-
Purchase of Stock-in-Trade	3.5	1174690.00	1420800.00
Change in inventories of finished goods	3.6	579230.00	100.00
work-in-progress and Stock-in-Trade			
Employee benefits expense	3.7	224628.00	200760.00
Finance costs	3.8	-	820.00
Depreciation and amortization expense	3.9	410159.00	429340.00
Other expenses	4.0	487890.68	1090160.00
Total Expenses		2876597.68	3141980.00
Profit before exceptional, extraordinary and prior period items and tax		(881551.68)	(1665780.00)
Exceptional items		-	-
Profit before extraordinary and prior items and tax		(881551.68)	(1665780.00)
Exceptional items		-	-
Profit before prior period items and tax		(881551.68)	(1665780.00)
Prior Period Items		-	-
Profit before tax		(881551.68)	(1665780.00)
Tax Expense :			
Current Tax		-	-
Deferred Tax		-	-
Profit/(loss) for the period from continuing operations		(881551.68)	(1665780.00)
Profit/(loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit/(loss) from discontinuing operations (after tax)		-	-
Profit/(loss) for the period		(881551.68)	(1665780.00)
Earnings per equity share :			
Basic		-	-
Diluted		-	-
Significant Accounting Policies and Notes 3.3 to 4.0 Attached herewith Form and Integral Part thereof.			

For and on Behalf of the Board

To be read with my report of even date

K.S. Elavarashen
Chairman cum Managing Director
DIN No. : 00007893

R. Velmurugan
Director
DIN No. : 00010341

Date : 24.05.2017
Place : Komarapalayam

V. RAMESH, ACA
Chartered Accountant
Membership No. 234812



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

In ₹

PARTICULARS	31-03-2017	31-03-2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extra Ordinary Items	-881551.68	-1665780.00
Adjustment For		
Depreciation	410159.00	429340.00
Foreign Exchange	0.00	0.00
Gain or loss of Sale of Fixed assets	0.00	0.00
Gain or loss of Investment	0.00	0.00
Finance Cost	0.00	820.00
Divident Income	0.00	0.00
Other adjustment of non cash Item	0.00	0.00
Other adjustment to reconcile Profit	0.00	0.00
Total Adjustment to Profit/Loss (A)	410159.00	430160.00
Adjustment For working Capital Change		
Adjustment for Increase/Decrease in Inventories	579230.00	100.00
Adjustment for Increase/Decrease in Trade Receivables	-17764475.50	16800.00
Adjustment for Increase/Decrease in Other Current Assets	38588718.67	266820.00
Adjustment for Increase/Decrease in Trade Payable	-2476550.00	651880.00
Adjustment for Increase/Decrease in Other Current Liabilities	-10188320.00	288950.00
Adjustment for Provisions	-600970.00	0.00
Total Adjustment For Working Capital (B)	8137633.17	1224550.00
Total Adjustment to reconcile profit (A+B)	8547792.17	1654710.00
Net Cash flow from (used in) operation	7666240.49	-11070.00
Dividend Received	0.00	0.00
Interest Received	0.00	0.00
Interest Paid	0.00	0.00
Income Tax Paid / Refund	0.00	0.00
Net Cash flow from (used in) operation before Extra Ordinary Items	7666240.49	-11070.00
Proceeds from Extra Ordinary Items	0.00	0.00
Payment for Extra Ordinary Item	0.00	0.00
Net Cash Flow From Operating Activities	7666240.49	-11070.00
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds From Fixed Assets	0.00	0.00
Proceeds From Investment or Equity Instruments	0.00	0.00
Purchase of Fixed Assets	0.00	0.00
Purchase of Investments or Equity Instruments	0.00	0.00
Interest Received	0.00	0.00
Dividend Received	0.00	0.00
Cash Receipt from Sale of Interest in Joint Venture	0.00	0.00
Cash Payment to acquire Interest in Joint Venture	0.00	0.00



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

In ₹

PARTICULARS	31-03-2017	31-03-2016
Cash flow from loosing Control of subsidiaries	0.00	0.00
Cash Payment for acquiring Control of subsidiaries	0.00	0.00
Proceeds from Govt. Grant	0.00	0.00
Other Infow/Outflow of Cash	0.00	0.00
Net Cash flow from (used In) Investing Activities before Extra Ordinary Items	0.00	0.00
Proceeds from Extra Ordinary Items	0.00	0.00
Payment for Extra Ordinary Item	0.00	0.00
Net Cash Flow From (used In) Investing Activities	0.00	0.00
CASH FLOWS FROM FINANCIAL ACTIVITIES		
Proceeds From Issuing Shares	0.00	0.00
Proceeds From Issuing Debenture/Bonds/Notes	0.00	0.00
Redemption of Preference Share	0.00	0.00
Redemption of Debenture	0.00	0.00
Proceeds From other Equity Instruments	0.00	0.00
Proceeds From Borrowing	0.00	0.00
Repayment of Borrowing	-6602001.00	0.00
Dividend Paid	0.00	0.00
Interest Paid	0.00	0.00
Income Tax Paid/Refund	0.00	0.00
Net Cash flow from (used In) Financial Activities before Extra Ordinary Items	6602201.00	0.00
Proceeds from Extra Ordinary Items	0.00	0.00
Payment for Extra Ordinary Item	0.00	0.00
Net Cash Flow From (used In) Financial Activities	6602201.00	0.00
Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes	14268241.49	-11070.00
Effect of exchange rate change on cash and cash equivalents	0.00	0.00
Net increase (decrease) in cash and cash equivalents	14268241.49	-11070.00
Cash and cash equivalents at beginning of period	125790.35	137680.00
Cash and cash equivalents at end of period	14394031.84	126610.00
For and on Behalf of the Board	To be read with my report of even date	
K.S. Elavarashen Chairman cum Managing Director DIN No. : 00007893	R. Velmurugan Director DIN No. : 00010341	V. RAMESH, ACA Chartered Accountant Membership No. 234812
Date : 24.05.2017 Place : Komarapalayam		

**NOTES ON ACCOUNTS****SIGNIFICANT ACCOUNTING POLICIES**

1. **BASIS OF ACCOUNTING:** The financial statements are prepared under historical cost convention and generally in accordance with the applicable accounting standards and are based on accrual basis of accounting except those mentioned elsewhere in the report.
2. **FIXED ASSETS:** Fixed Assets are stated at cost inclusive of all direct expenditure.
3. **DEPRECIATION:** Depreciation on fixed assets is charged over the estimated useful life of the fixed assets at the rates and in the manner prescribed Schedule II of the Companies Act 2013.
4. **INVESTMENTS:** Investments are stated at cost.
5. **INVENTORIES:** The bought out items have been valued at cost adopting weighted average cost.
6. **IMPAIRMENT OF ASSETS:** The Company recognizes impairment of all assets other than assets which are specifically excluded under accounting standard 28 on impairment of assets after comparing the asset's recoverable value with its carrying amount in the books.
7. **REVENUE RECOGNITION:** Sales are accounted net of trade discount.
8. Gratuity provisions are made in the books based on actuarial valuation.

9. Bonus has been paid on calendar year basis.

10. **FOREIGN CURRENCY TRANSACTION:** All payments made in foreign currency are translated into rupee at the rates at which it is debited by the Bank. Exports sales are translated at the rate prevailing on the date of sale. Balances in form of Current Assets and Current Liabilities outstanding at the close of the year are converted in Indian currency at the appropriate rates of exchanger prevailing at the date of Balance sheet.

11. **CONTINGENT LIABILITIES AND PROVISIONS:** All known liabilities of material nature have been provided for in the accounts except liabilities of contingent nature which have been disclosed at their estimated value in the notes on accounts in accordance with Accounting Standard 29. As regard provisions it is only those obligations arising from past events existing independently of an enterprise's future action that are recognized as provisions.

12. **TAXATION:** Deferred tax asset and liability is calculated by applying tax rate and tax law that have been enacted or substantially enacted by the Balance sheet date. Deferred tax asset arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws are recognized only if there is a virtual certainty of its realization supported by convincing evidence.

NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017

In ₹

PARTICULARS	31-03-2017	31-03-2016
2.1 SHARE CAPITAL		
Authorised		
1,00,00,000 (1,00,00,000) Equity Shares of Rs.10/- Par Value	100000000.00	100000000.00
	100000000.00	100000000.00
Issued		
80,36,600 (80,36,600) Equity Shares of Rs.10/- Par Value	80366000.00	80366000.00
	80366000.00	80366000.00
Subscribed		
80,35,300 (80,35,300) Equity Shares of Rs.10/- Par Value	80353000.00	80353000.00
	80353000.00	80353000.00
Paidup		
80,35,300 (80,35,300) Equity Shares of Rs.10/- Par Value Fully Paidup	80353000.00	80353000.00
	80353000.00	80353000.00

(Includes 1,89,000 Equity Shares allotted as fully paid up by way of Bonus Shares by Capitalisation of Reserves.)
(Rights issue of 1300 equity shares of Rs.10/- each kept in abeyance on account of Court order due to loss of share certificates)



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017

SHARE HOLDING OF SHARE HOLDERS HOLDING MORE THAN 5% OF SHARES	AS AT 31-03-2017		AS AT 31-03-2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Unit Trust of India	5,00,000	6.22%	5,00,000	6.22%

PARTICULARS	In ₹	
	31-03-2017	31-03-2016
2.2 RESERVES & SURPLUS		
General Reserve - Opening	48802520.35	48802520.35
Addition	0.00	0.00
Deduction	0.00	0.00
	48802520.35	48802520.35
Profit & Loss A/c - Opening	0.00	0.00
Addition	0.00	0.00
Deduction	0.00	0.00
	0.00	0.00
Securities Premium Opening	39636000.00	39636000.00
	39636000.00	39636000.00
Profit & Loss Opening	-103972568.42	-102306790.00
Amount Transferred From Statement of P&L	-881551.68	-1665780.00
	-104854120.10	-103972570.00
	-16415599.75	-15534049.65

2.3 LONG TERM BORROWINGS		
Term Loan		
Financial Institution		
Secured		
Rupee		
Term Loan from IIBI		
Secured by paripassu charge along with ICICI against whole of the immovable properties of the Company including movable plant & machinery of the Company, and second charge on the inventories and Book debts of the company and also personal guarantee by the Managing Director	9175619.00	15777620.00
	9175619.00	15777620.00



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017

In ₹

PARTICULARS 31-03-2017 31-03-2016

IIBI has filed an application before the Debt recovery Tribunal Chennai. IIBI in their petition on 28th Sept.1999 has claimed an amount of Rs.1,99,77,619/- as due on the date of petition. No provision for interest has been made for the period after 28th Sept.1999. An amount of Rs.41.02 lacs has been deposited in court towards settlement as per Mumbai Debt Recovery Tribunal order dt.9.11.2004. The same is classified under Loans and Advances.

As per Form 8 filed with ROC dated 09.02.2011. All the Charges regarding the Company have been assigned by Industrial Investment Bank of India Ltd (IIBI) in favour of M/s. IFCI Ltd on execution of deed of assignment dated 25th May 2011, the charge is modified in favour of IFCI Ltd., IFCI tower, 61, Nehru Palace, New Delhi - 110019 from M/s. Industrial Investment Bank of India Ltd. The above changes have been made without intimation to the company.

As per Court Direction Rs.45 Lakhs has been paid to IFCI. (Rs.25 Lakhs paid by the Company and Rs.20 Lakhs paid by the Managing Director.)

2.4 TRADE PAYABLES

Creditors Due others

OTHERS

476830.00

2953380.00

476830.00

2953380.00

* under the Micro, Small and Medium Enterprises Development Act, 2006 read with Notification No. 8/7/2006 - CDN dt. 17.05.2007 certain disclosures are required relating to Micro, Small, Medium Enterprises. Since the relevant information as called for has not been received, no disclosures have been made in the accounts.

2.5 OTHER CURRENT LIABILITIES

Other Payables

Other Current Liabilities

OTHERS

19500.00

10207820.00

19500.00

10207820.00

2.6 SHORT TERM PROVISIONS

Employee Benefits

Gratuity

GRATUITY

0.00

56220.00

Tax Provision

Current Tax

TAX PROVISION

0.00

544750.00

0.00

600970.00



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



NOTE FORMING PART OF BALANCE SHEET

2.7 TANGIBLE ASSETS

In ₹

PARTICULARS	GROSS BLOCK			DEPRECIATION				IMPAIRMENT			NET BLOCK		
	Opening As on 01.04.2016	Additions during the year	deduction the year	Closing As on 31.03.2017	Opening As on 01.04.2016	during the year	deduction	Other Adj.	Closing As on 31.03.2017	Opening	Reversal	Closing As at 31.03.2017	Closing As at 31.03.2016
Land	697939.00	0.00	0.00	697939.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	697939.00	697939.00
Building													
Factory Building	10472060.00	0.00	0.00	10472060.00	7654560.00	267662.00	0.00	0.00	7922222.00	0.00	0.00	2549838.00	2817500.00
Plant and Machinery	7359550.00	0.00	0.00	7359550.00	7283420.00	13778.00	0.00	0.00	7297198.00	0.00	0.00	62352.00	76130.00
Equipments													
Office Equipments	2471090.00	0.00	0.00	2471090.00	2454570.00	4276.00	0.00	0.00	2458846.00	0.00	0.00	12244.00	16520.00
Factory Equipments	187800.00	0.00	0.00	187800.00	185470.00	419.00	0.00	0.00	185889.00	0.00	0.00	1911.00	2330.00
Other Equipments	10078230.00	0.00	0.00	10078230.00	9394970.00	123668.00	0.00	0.00	9518638.00	0.00	0.00	559592.00	683260.00
Furniture and Fixtures	363100.00	0.00	0.00	363100.00	361790.00	339.00	0.00	0.00	362129.00	0.00	0.00	971.00	1310.00
Vehicles													
Motor Vehicles	1432770.00	0.00	0.00	1432770.00	1432710.00	17.00	0.00	0.00	1432727.00	0.00	0.00	43.00	60.00
Grand Total	33062539.00	0.00	0.00	33062539.00	28767490.00	410159.00	0.00	0.00	29177649.00	0.00	0.00	3884890.00	4295049.00
Previous	33062540.00	0.00	0.00	33062540.00	28338150.00	429340.00	0.00	0.00	28767490.00	0.00	0.00	4295050.00	4724390.00

NOTE : Machineries, Electrical Machineries, Office Equipments and Vehicles include those acquired under Hire Purchase Scheme.



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017

In ₹

PARTICULARS	31-03-2017	31-03-2016
2.8 NON-CURRENT INVESTMENTS		
Investments in Equity Instruments Non Trade, Quoted		
139800 (31/03/2016 : 139800) Shares of Rs.10/- Each Fully Paidup in Tan India LTD	139800.00	139800.00
	139800.00	139800.00
2.9 INVENTORIES		
Work in Progress	0.00	2264560.00
Finished Goods	15010730.00	13325400.00
	15010730.00	15589960.00
3.0 TRADE RECEIVABLES		
Trade Receivables		
Unsecured considered good Exceeding Six Months		
DEBTORS	49596485.50	31832010.00
	49596485.50	31832010.00
3.1 CASH AND CASH EQUIVALENTS		
Cash in Hand	1149925.45	79420.00
Balance with Banks	40106.97	46370.35
Others		
	1190032.42	125790.35

Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table below:-

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 8.11.2016	78500.00	596489.26	674989.26
(+) Permitted Receipts	-	385817.00	385817.00
(-) Permitted Payments	-	40996.00	40996.00
(-) Amount Deposited in Banks	78500.00	39593.00	118093.00
Closing cash in hand as on 30.12.2016	-	901717.26	901717.26

Explanation: For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

3.2 SHORT-TERM LOANS AND ADVANCES

Loans and advances to others Unsecured, considered good

ADVANCES	3787411.33	42376130.00
Each Fully Paidup in Tan India Ltd		
	3787411.33	42376130.00

3.3 REVENUE FROM OPERATIONS

Sale of Products	1995046.00	1475440.00
	1995046.00	1475440.00



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017

In ₹

PARTICULARS	31-03-2017	31-03-2016
3.4 OTHER INCOME		
Interest		
Miscellaneous	0.00	760.00
	0.00	760.00
3.5 PURCHASE OF STOCK-IN-TRADE		
Stock in Trade		
CLOTH	1174690.00	0.00
YARN	0.00	1420800.00
	1174690.00	1420800.00
3.6 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening		
Stock in Trade	13325400.00	15590060.00
	13325400.00	15590060.00
Closing		
Stock in Trade	15010730.00	15589960.00
	15010730.00	15589960.00
Increase/Decrease		
Stock in Trade	-1685330.00	100.00
	-1685330.00	100.00
DETAILS OF CHANGES IN INVENTORY		
Stock in Trade		
FINISHED GOODS	-1685330.00	100.00
WIP	0.00	0.00
	579230.00	100.00
3.7 EMPLOYEE BENEFITS EXPENSE		
Salary, Wages & Bonus	224628.00	200760.00
	224628.00	200760.00
3.8 FINANCE COSTS		
Interest Expenses		
Bank Charges	0.00	820.00
	0.00	820.00



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017

In ₹

PARTICULARS	31-03-2017	31-03-2016
3.9 DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation & Amortization		
Depreciation Tangible Assets	410159.00	429340.00
	410159.00	429340.00
4.0 OTHER EXPENSES		
Manufacturing Service Costs Expenses		
Freight And Forwarding Charges	9301.00	0.00
Administrative and General Expenses		
Telephone Postage	5470.00	48700.00
Printing Stationery	86756.00	134600.00
Rent Rates And taxes	59955.00	53990.00
Auditors Remuneration	15000.00	28090.00
Directors Sitting Fees	8000.00	9000.00
Electricity Expenses	5637.00	4270.00
Travelling Conveyance	53529.00	75190.00
Legal and Professional Charges	0.00	35000.00
Other Administrative and General Expenses	244242.68	701320.00
	487890.68	1090160.00
4.1 VALUE OF STORES AND SPARES CONSUMED		
1. Imported - Value (Percentage)	0.00	0.00
2. Indigenous - Value (Percentage)	0.00	0.00
	0.00	0.00
4.2 EXPENDITURE IN FOREIGN CURRENCY		
Expenditure in Foreign Currency	0.00	0.00
	0.00	0.00
4.3 EARNING IN FOREIGN CURRENCY		
Earning in Foreign Currency	0.00	0.00
	0.00	0.00
4.4 MANAGERIAL REMUNERATION		
Managerial Remuneration (Managing Director's Remuneration has not been paid during the year)	0.00	0.00
	0.00	0.00



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017

In ₹

PARTICULARS 31-03-2017 31-03-2016

4.5 ESTIMATED AMOUNT OF CONTRACT

Estimated amount of contract remaining to be executed on capital account and not provided for	0.00	0.00
	<hr/>	<hr/>
	0.00	0.00

4.6 DISCLOSURE OF RELATED PARTY TRANSACTIONS

Names to related parties and description of relationship Key managerial personnel - K.S. Elavarashen
E. Pushpa, Wife of K.S. Elavarashen
K.P.E. Ravindran, Son of K.S. Elavarashen
Relatives of key management personnel.

SI No.	Particulars	KMP	Relative KMP
	Transactions for the year ended 31.03.2017	0.00	0.00
1.	Purchases	0.00	0.00
2.	Sales	0.00	0.00
3.	Rent Paid	0.00	0.00
4.	Service Received	0.00	0.00
5.	Service Rendered	0.00	0.00
6.	Remuneration Paid	0.00	0.00
7.	Rent Received	0.00	0.00
	Outstanding as on 31.03.2017		
1.	Advances	4757200.00	4757200.00
2.	Creditors	0.00	0.00

4.7 Confirmation of balances in respect of some of the Sundry Debtors, stock with outsiders, Loans and Advances and Sundry creditors are not available.

4.8 Since the Company operates in a single segment i.e. Textile Fabrics, Accounting Standard (AS) 17- "Segment Reporting" issued by The Institute of Chartered Accountants of India is not applicable.

4.9 The Company has unabsorbed and carried forward losses under Tax laws. In absence of virtual certainty of sufficient future taxable income, a net differed asset has not been recognised by way of prudence in accordance with Accounting Standard. (AS) 22 - "Accounting for Taxes on Income" issued by The Institute of Chartered Accountants of India.

5.0 The Company is a potentially sick industrial company within the meaning of Section 23(1) of Sick Industrial Companies (Special Provisions) Act 1985 and it has been informed to BIFR vide letter Dt. 03.11.2003.

5.1 Previous year's figures have been regrouped and rearranged wherever necessary

For and on Behalf of the Board

To be read with my report of even date

K.S. Elavarashen
Chairman cum Managing Director
DIN No. : 00007893

R. Velmurugan
Director
DIN No. : 00010341

V. RAMESH, ACA
Chartered Accountant
Membership No. 234812

Date : 24.05.2017
Place : Komarapalayam

VEENA TEXTILES LIMITED

Regd Office : 309, Salem Main Road, Komarapalayam - 638 183.

CIN : L17111TZ1968PLC000584

Phone : 04288-260815

E-mail : veena_vtl@yahoo.in

Web : www.veenatextiles.com

PROXY FORM

(Form MGT 11)

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

1.	Name of the Member(s)	
2.	Registered Address	
3.	E-mail ID	
4.	Folio/DP ID - Client ID No. :	

I/We being the member(s) of _____ shares of the above named company, hereby appoint

1. Name : _____

Address : _____

E-mail ID : _____

Signature : _____ or failing him

2. Name : _____

Address : _____

E-mail ID : _____

Signature : _____ or failing him

3. Name : _____

Address : _____

E-mail ID : _____

Signature : _____ or failing him

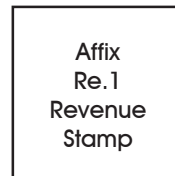
As my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 50th Annual General meeting of the company, to be held on the Saturday, 30th day of September 2017 at 10.35 A.M. at 11-F, Gandhipuram, Komarpalayam-638 183 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Type of Resolution	Optional	
			For	Against
1.	To consider and adopt the Audited Financial Statement Viz., Balance Sheet as at 31 st March 2017, Profit and Loss Account for the year ended on that date, Cash Flow Statement, the Reports of Directors and Auditors thereon.	Ordinary		
2.	To appoint a Director in the place of Sri K.S Elavarashen who retires by rotation and being eligible offers himself for reappointment.	Ordinary		
3.	To ratify the appointment statutory auditor for the financial year 2017 - 2018	Ordinary		

Signed this _____ day of _____ 2017

Signature of the Shareholder _____

Signature of the Proxy holder _____



NOTES:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. This is only optional. Please put a (✓) in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
3. Please complete all the details of Member(s) in the above box before submission.