

**VEENA TEXTILES LIMITED**  
**KOMARAPALAYAM - 638 183.**



**47<sup>th</sup> ANNUAL REPORT**  
**2013 - 2014**

# VEENA TEXTILES LIMITED

KOMARAPALAYAM - 638 183  
CIN : L17111TZ1968PLC000584

## **BOARD OF DIRECTORS**

Shri K.S. Elavarashen	Chairman cum Managing Director
Shri R. Velmurugan	Director
Shri K. Varadharajan	Director

## **Bankers**

The Karur Vysya Bank Ltd.,  
Komarapalayam

## **Auditors**

M/s. V.N.G. Nath Associates  
Chartered Accountants  
Chennai - 600 083.

## **Audit Committee**

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

## **Finance Committee**

Shri K.S. Elavarashen - Chairman  
Shri K. Varadharajan

## **Share Transfer Committee**

Shri R. Velmurugan - Chairman  
Shri K. Varadharajan

## **Stakeholder Relationship Committee**

Shri K. Varadharajan - Chairman  
Shri K.S. Elavarashen

## **Marketing Committee**

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

## **Nomination and Remuneration Committee**

Shri R. Velmurugan - Chairman  
Shri K. Varadharajan

## **Registered Office**

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

CONTENTS	Page No.
Notice to Shareholders'	2
Directors' Report	9
Auditors' Report	14
Balance Sheet	16
Profit & Loss Account	17
Cash Flow Statement	18
Notes on Accounts	19

47<sup>th</sup> ANNUAL REPORT  
2013 - 2014



**VEENA TEXTILES LIMITED**  
KOMARAPALAYAM - 638 183



**NOTICE TO SHAREHOLDERS**

**NOTICE TO SHAREHOLDERS**

NOTICE is hereby given that the 47<sup>th</sup> Annual General Meeting of the Members of VEENA TEXTILES LIMITED will be held on 30<sup>th</sup> September 2014 at 10.00 A.M. at 11-F GANDHIPURAM, KOMARAPALAYAM-638 183 to transact the following Business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Statements of Accounts and Cash Flow Statement as on 31<sup>st</sup> March 2014 and the report of the Board of Directors and Auditors there-on.
2. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**RESOLVED THAT** pursuant to Section 139 of the Companies Act, 2013 (Act) read with the Companies (Audit and Auditors) Rules 2014 or such other modifications/ clarifications if any from time to time in accordance with the Act and pursuant to the recommendations of the Audit Committee, the retiring Auditors M/s. V.N.G. Nath Associates (Firm Reg No.7159S), Chartered Accountants, Chennai – 600 083 be and are hereby appointed as Statutory Auditors of the Company to hold such office for a period of three years from the conclusion of this Annual General Meeting till the conclusion of the 50th Annual General Meeting subject to ratification by members at every Annual General Meeting on such remuneration plus service tax, out of pocket expenses as may be fixed by the Board of Directors of the Company as recommended by the Audit Committee thereof.

**SPECIAL BUSINESS**

3. To consider and if thought fit, to pass with or without modification, the following on as an Ordinary Resolution :  
**RESOLVED THAT** pursuant to Sec.149, 152 and other applicable provisions if any, of the Companies Act, 2013 and the Rules made there under, read with Schedule-IV of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modifications or re-enactments thereof for the time being in force) and Clause 49 of the Listing agreement, Sri R.Velmurugan

(DIN : 00010341), Director of the Company who retires by rotation at the ensuing Annual General Meeting under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Sri.R.Velmurugan as a candidate for the office of Independent Director of the Company and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director to hold office for a period of five years upto 28<sup>th</sup> Septemeber 2019.

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

**RESOLVED THAT** pursuant to Sec.149, 150, 152 and other applicable provisions if any, of the Companies Act, 2013 and the Rules made there under, read with Schedule-IV of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modifications or re-enactments thereof for the time being in force) and Clause 49 of the Listing agreement, Sri.K.Varadharajan (DIN: 01243621) Director of the Company who retires by rotation at the ensuing Annual General Meeting under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Sri.K.Varadharajan as a candidate for the office of Independent Director of the Company and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director to hold office for a period of five years upto 28<sup>th</sup> September 2019.

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

**RESOLVED THAT** pursuant to Section 180 (1) (c ) and any other applicable provisions of the Companies Act, 2013 and the rules made there



**VEENA TEXTILES LIMITED**  
KOMARAPALAYAM - 638 183



**NOTICE TO SHAREHOLDERS**

under (including any statutory modification (s) or re-enactment thereof for the time being in force) the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained /to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of Rs. 300 Crores (Rupees Three hundred Crores) over and above the aggregate of the paid up share capital and free reserves of the Company.

**RESOLVED FURTHER** that for the purpose of giving effect to this resolution the Board or any Committee or person(s) authorized by the Board be and is/are hereby authorized to finalise settle and execute such documents / deeds / writings / papers / agreements and to do all acts deeds matters and things as may be required.

6. To consider and if thought fit to pass with or without modification(s) the following resolution as Special Resolutions

**RESOLVED THAT** pursuant to Section 180(1)(a) and other applicable provisions if any of the Companies Act 2013 and the Rules made thereunder (including any statutory modifications or re-enactments thereof for the time being in force) consent of the company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any committee thereof) to create such charges mortgages pledges and hypothecations in addition to existing charges mortgages pledges and hypothecations created by the company on such movable and/or immovable tangible and/or intangible properties of the company both present and future in such form and manner and with such ranking as to priority and for such time and on such terms as the Board may deem fit together with the power to take over the management of the business and concern of the company in certain events of default in favour of the lender(s) agent(s) trustee(s) for securing the borrowings of the company availed/to be availed by way of loan(s) (in Indian rupee and/or foreign currency)and/or debentures bonds or any other debt instruments issued by the company from

time to time subject to the limits approved under Section 180(1)(c) of the Companies Act 2013 and temporary loans obtained / to be obtained from the company's bankers in the ordinary course of business together with interest at the respective agreed rates additional interest compound interest in case of default accumulated interest liquidated damages commitment charges premia on prepayment remuneration of agent(s)/ trustee(s) premium if any on redemption all other costs charges expenses and all other moneys payable by the company in terms of loan agreement(s) head of agreement(s) debenture trust deed(s) or any other document entered into/ to be entered into between the company and the lender(s)/agent(s)/trustee(s) in respect of the said loans/borrowings/debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the lender(s)/agent(s)/ trustees

**FURTHER RESOLVED THAT** for the purpose of giving effect to this resolution the Board or any Committee or person(s) authorized by the Board be and is/are hereby authorized to finalise settle and execute such documents / deeds writings / papers / agreements and to do all acts deeds matters and things as may be required.

By order of the Board  
**K.S. Elavarashen**  
30th May, 2014 Chairman cum Managing Director  
DIN : 00007893

**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 TO SHAREHOLDERS**

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. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special business under item 3 to 6 is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 23.9.2014 to 30.9.2014 (both days inclusive) in connection with the Annual General Meeting and for the purpose of payment of dividend, if approved by the Members.
5. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address as soon as possible.
6. 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.
7. The relevant details under Clause 49 of the listing agreement with the Stock Exchanges 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.
8. Electronic copy of the Annual Report 2014 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 2014 is being sent in the permitted mode. Positive consent letter is attached to the Notice to the Members for giving consent to receive documents in electronic mode.
9. Electronic copy of the Notice of the 47<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of 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 47<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
10. Members may also note that the Notice of the 47<sup>th</sup> Annual General Meeting and the Annual Report 2014 will also be available on the Company's website [www.veenatextiles.com](http://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](mailto:veena_vtl@yahoo.in).
11. Voting through electronic means
  - I. Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the companies (Management and Administration ) Rules 2014, and Clause 35B of the Listing Agreement the Company is pleased to provide its members the facility to exercise their right to vote at the 47<sup>th</sup> Annual General Meeting (AGM) by electronic means. The business may be transacted through e-voting Services provided by Central Depository Services Limited (CDSL)
12. Sri.C.Thirumurthy, Practising Company Secretary ((Membership No.3454 CP No.5179) has been appointed as the Scrutinizer to Scrutinize the e-voting process in a fair and transparent manner.



**VEENA TEXTILES LIMITED**  
KOMARAPALAYAM - 638 183



**NOTICE TO SHAREHOLDERS**

13. The voting through electronic means will be available from 23<sup>rd</sup> September 2014, 9.00 A.M. to 25<sup>th</sup> September 2014, 5.00 P.M. The Members will not be able to cast their vote electronically beyond the date and time mentioned above and the e-voting system shall be disabled for voting thereafter.

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

In case of members receiving e-mail:

(I) Log on to the e-voting website: [www.evotingindia.co.in](http://www.evotingindia.co.in)

(II) Click on "Shareholders" tab.

(III) Now, select the "VEENA TEXTILES LIMITED" from the drop down menu and click on "SUBMIT"

(IV) 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.

(V) Next enter the Image Verification as displayed and Click on Login.

(VI) If you are holding shares in demat form and had logged on to [www.evotingindia.co.in](http://www.evotingindia.co.in) and voted on an earlier voting of any company, then your existing password is to be used.

(VII) If you are a first time user follow the steps given below :

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>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 last 8 digits of the demat account/folio number in the PAN field.</li> </ul>

	<ul style="list-style-type: none"> <li>In case the folio 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 folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the <b>member ID/ Folio No./ number of shares held by you as on the cutoff date</b> in the Dividend Bank details field.</li> </ul>

(VIII) After entering these details appropriately, click on "SUBMIT" tab.

(IX) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(X) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.



**VEENA TEXTILES LIMITED**  
KOMARAPALAYAM - 638 183



**NOTICE TO SHAREHOLDERS**

(XI) Click on the EVSN for the relevant "VEENA TEXTILES LIMITED" on which you choose to vote.

(XII) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(XIII) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(XIV) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(XV) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(XVI) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(XVII) If Demat account holder has forgotten the password/changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create an user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

15. In case of members receiving the physical copy:

- a) Please follow all steps from Sl. no. (i) to sl. no. (xvii) above to cast vote.
- b) The voting will be available from 23<sup>rd</sup> September 2014, 9.00 A.M. to 25<sup>th</sup> September 2014, 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in the dematerialized form, as on 22<sup>nd</sup> August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- c) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

16. In case of members desiring to exercise vote by Postal Ballot:

- a) A Member desiring to exercise vote by Postal Ballot should complete the Postal Ballot Form and send it to the Scrutinizer. Members are requested to read the instructions contained on the reverse of the Postal Ballot Form and follow the same.
- b) As the Company, being a Listed Company and having more than 1000 Shareholders, is compulsorily required to provide e-voting facility to its members in terms of Section 108 of the Companies Act, 2013 read with the Rules made thereunder and Clause 35 B of the Listing Agreement, voting by show of hands will not be available to the members at the 47<sup>th</sup> Annual General Meeting in view of provisions of Sec 107 read with Sec 114



**VEENA TEXTILES LIMITED**  
KOMARAPALAYAM - 638 183



**NOTICE TO SHAREHOLDERS**

of the said Act. Hence the items of Business given in this notice are proposed to be transacted through electronic voting/ postal ballot system/poll. The voting rights are available to the members who are the th members as on 22<sup>nd</sup> August 2014 (cut off date for the purpose of exercising voting rights).

- c) In terms of Clause 35B of the Listing Agreement, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, a Postal Ballot Form is annexed. A member desiring to exercise vote by Postal Ballot shall complete the enclosed Postal Ballot Form with assent (for) or dissent (against) and sent it to Sri.C.Thirumurthy, Practicing Company Secretary (Membership No.3454 CP No.5179), 69-1, LML Colony, 3<sup>rd</sup> Street, Ammankulam Road, Pappanaickenpalayam, Coimbatore - 641037, so as to reach him on or before and 25<sup>th</sup> September, 2014. Any Postal Ballot Form received after the said date shall be treated as if the reply from the Members has not been received.

17. Kindly note that members can opt for only one mode of voting i.e., either by physical ballot or through e-voting. If members are opting for e-voting then do not vote by Physical Ballot or vice versa. However, in case of Members casting their vote both by Physical Ballot and e-voting, then voting done through e-voting shall prevail and voting done by Physical Ballot will be treated as invalid.

18. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period 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 forthwith to the Chairman of the Company.

19. The Results shall be declared at the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.veenatextiles.com](http://www.veenatextiles.com) and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

20. 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.

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No.3**

Sri.R.Velmurgan, aged 54 years has more than 27 years of experience in Cotton and Textile Trading. He is an Independent Director on the Board of Directors of the Company for over 12 years.

The Company has received a nomination under Sec.160 of the Companies Act, 2013 from a member of the Company with requisite deposit signifying his intention to propose the appointment of Sri. R.Velmurugan as Independent Director. Sri. R.Velmurugan will hold office for a period of five years from the conclusion of this Annual General Meeting.

In the opinion of the Board, Sri. R.Velmurugan, proposed to be appointed as an Independent Director fulfills the conditions specified in the Section 149(6) and other applicable provisions of the Companies Act, 2013 and the rules made thereunder and that the proposed director is independent of the management.





**VEENA TEXTILES LIMITED**  
KOMARAPALAYAM - 638 183



**NOTICE TO SHAREHOLDERS**

**Interest of Directors**

None of the Directors, key managerial personnel or their relatives other than Sri.R.Velmurugan is concerned or interested in the resolution

**Item No.4**

Sri. K.Varadharajan, aged 68 years has more than Vast experience in Textile Trade. He is an Independent Director on the Board of Directors of the Company for over 8 years.

The Company has received a nomination under Sec.160 of the Companies Act, 2013 from a member of the Company with requisite deposit signifying his intention to propose the appointment of Sri. K.Varadharajan as Independent Director. Sri. K.Varadharajan will hold office for a period of five years from the conclusion of this Annual General Meeting.

In the opinion of the Board, Sri. K.Varadharajan, proposed to be appointed as an Independent Director fulfills the conditions specified in the Section 149(6) and other applicable provisions of the Companies Act, 2013 and the rules made thereunder and that the proposed director is independent of the management.

**Interest of Directors**

None of the Directors, key managerial personnel or their relatives other than Sri.K.Varadharajan is concerned or interested in the resolution

**Item No.5 and 6**

Section 180 of the Companies Act, 2013 effective from September 12, 2013 requires that consent of the company accorded by way of a special resolution is required to borrow money in excess of the company's paid up share capital and free reserves. Further, as per the clarification issued by the Ministry of Corporate Affairs approval granted by the shareholders by way of an ordinary resolution pursuant to the Section 293 of the Companies Act 1956 shall be valid for one year from the date it became effective. Thus, the approval granted by members is valid upto 11th September, 2014.

Hence approval of the members to borrow Rs.300 Crores (Rupees Three Hundred Crores) over and above the aggregate of the paid up share capital and free reserves of the company apart from temporary loans obtained / to be obtained from the company's bankers in the ordinary course of business under Section 180(1)(c) of the Companies Act 2013 and to create mortgage or charge on the total assets of the company (both movable and immovable) under Section 180(1)(a) of the Companies Act 2013 is therefore now sought by way of Special Resolutions

None of the Directors and Key Managerial Personnel of the Company and their relatives is

By order of the Board

Komarapalayam

**K.S. Elavarashen**

30th May, 2014

Chairman cum Managing Director

DIN : 00007893

**Details of Directors seeking appointment /  
reappointment as required under Clause 49  
of the Listing Agreement**

Name of the Director	R. Velmurugan	K Varadharajan
Date of Birth	06.05.1959	21.06.1946
Date of Appointment	30.09.2002	01.11.2006
Qualification	PUC	10 <sup>th</sup> Standard
Expertise in specific function area	More than 25 years of rich Experience in Cotton and Textile Industry	More than 10 years of experience in Textile Trade
Directorship held in other Public Limited Companies excluding Foreign and Private Companies	NIL	NIL
Chairmanship/ Membership of Committees in other Indian Public Companies	NIL	NIL
Shareholding in the Company	Nil	Nil
Relationship between Directors Inter-se	Nil	Nil



**VEENA TEXTILES LIMITED**  
KOMARAPALAYAM - 638 183



**DIRECTORS' REPORT TO THE SHAREHOLDERS**

Dear Members,  
Your Directors present the 47th Annual Report and Audited Statement of Accounts for the year ended 31st March 2014.

**FINANCIAL RESULTS**

	(Rupees in lacs)	
	2013-2014	2012-2013
Sales	13.30	25.26
Other Income	0.28	0.18
Total Expenditure	19.57	26.37
Financial Charges	Nil	Nil
Gross Profit / (Loss) after interest before		
Depreciation and Taxation	-5.99	-0.93
Depreciation	8.24	9.02
Net Profit / (Loss)	-14.23	-9.95

**DIVIDEND**

In view of accumulated losses no dividend is feasible this year also.

**GENERAL REVIEW OF THE YEAR**

In view of frequent power cut and non-availability of skilled man power, the Company carried on trading in textile products.

**DIRECTORS**

During the year under review, Shri R. Velmurugan who retires By rotation and being eligible offers himself for the re-appointment and he alongwith Shri K Varadharajan Director being appointed for a term of five consecutive years upon approval of members. The details as required under listing agreement is attached.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility statement, it is hereby confirmed :

- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2014, the applicable accounting standards had been followed along with proper explanation relating to material departures ;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review :

(iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities :

(iv) that the directors had prepared the accounts for the financial year ended 31st March, 2014 on a going concern basis.

**FIXED DEPOSITS**

The Company has not accepted any deposits from the public.

**AUDITORS**

M/s. V.N.G. Nath Associates(Firm Reg No.7159S), Chartered Accountants, Chennai -600 083, the Auditors of the company hold office until the conclusion of the 50th Annual General Meeting subject to ratification by members in each year. The Company has received letter from them to the effect that their appointment, if made, would be within the prescribed limits under section 24(1-B) of the Companies Act, 1956. Accordingly the said auditors are eligible for reappointment at the ensuing Annual General Meeting.

**COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER**

The Company was unable to appoint Chief Financial Officer and the Company Secretary due to financial constraints.

**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 like employees, Dealers etc. 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, 2014 and the number of the directorship / committee memberships held by them are as under :



**VEENA TEXTILES LIMITED**  
KOMARAPALAYAM - 638 183



**DIRECTORS' REPORT TO THE SHAREHOLDERS**

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	—	—
4.	Shri. K. Varadharajan	Non-Executive & Independent	—	—

The Number of Independent Directors is above half the total number of Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement.

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 Meeting**

The Board of Directors met 5 times during the financial year 2013-2014 i.e. on 30.05.2013, 14.08.2013, 27.09.2013, 11.11.2013 and 12.02.2014. The attendance of each director at 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	—	—	—
2.	Shri. R.Velmurugan	5	Yes	—	—	2500
4.	Shri K. Varadharajan	5	Yes	—	—	2500

**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 clause 49 of the listing agreements as well as in Section 292A of the Companies Act, 1956.

The committee had four meetings during the year under review on 30/5/13, 14/8/13, 11/11/13 and 12/2/2014.

**FINANCE COMMITTEE**

The Committee held four meetings on 30/5/13, 14/8/13, 11/11/13 and 12/2/2014. During the year and they covered financial problems, general accounts, cost accounts and internal audit and controls.

**SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE**

The role is to redress the grievances of shareholders, transfer of shares and dematerialisation, 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 30/5/13, 14/8/13, 11/11/13 and 12/2/2014.

**MARKETING COMMITTEE**

The role of the committee is to watch competitor's activities and be ever vigilant, so as to channelise our force effectively. Shri K.S. Elavarashen as chairman assisted by Shri. R. Velmurugan directed the marketing operation. The committee held four meeting during the year under review on 30/5/13, 14/8/13, 11/11/13 and 12/2/2014.

**4. GENERAL BODY MEETING**

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

Financial year	Date	Time	Location
2010-2011	29.09.2011	10.00 A M	11-F, Gandhipuram Komarapalayam
2011-2012	28.09.2012	10.00 A M	11-F, Gandhipuram Komarapalayam
2012-2013	27.09.2013	10.00 A M	11-F, Gandhipuram Komarapalayam

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

Date of AGM/EGM	Particulars of Special Resolution passed
29.09.2011	Reappointment of Managing Director
28.09.2012	Nil
27.09.2013	Nil

**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 Ahmedabhad, Madras, Mumbai and Coimbatore due to financial constraint.

**6. MEANS OF COMMUNICATION**

The quarterly/half-yearly unaudited financial results and the annual unaudited 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 are also arranged to stock exchanges.



**VEENA TEXTILES LIMITED**  
KOMARAPALAYAM - 638 183



**DIRECTORS' REPORT TO THE SHAREHOLDERS**

7. General Shareholder Information :
- a) Annual General Meeting  
Date & Time : 30th September 2014, at 10.00 A.M.  
Venue : 11F, Gandhipuram Main Road,  
Komarapalayam - 638 183.
- b) Financial Calender (Tentative)  
Annual General Meeting : 30th September 2015  
Results for Q.E. 30.06.2014 : Second Week of Aug 2014  
Results for Q.E. 30.09.2014 : Second Week of Nov 2014  
Results for Q.E. 31.12.2014 : Second Week of Feb 2015  
Results for Q.E. 31.03.2015 : Last Week of May 2015
- c) Book Closure Date : 23.09.2014 to 30.09.2014  
(Both days inclusive)
- d) Dividend Payment Date : Not Applicable
- e) Listing of Equity Shares on Stock Exchanges at : Mumbai, Ahmedabad, Chennai
- 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 - 6549995  
Fax : 0422 - 2539837 Email : info@skdc-consultants.com
- 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 31.03.2014
- |   | No. of Shares | Percentage |
|---|---------------|------------|
| 01. Directors & relatives                                 | 2701720       | 33.63      |
| 02. Indian Financial Institutions<br>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 31.03.2014

(1) Value (Rs.)	(2) No. of Shareholders	(3) %	(4) Amount	(5) %
Upto 5,000	13683	92.95	25650000	31.92
5001 - 10,000	672	4.56	5130000	6.38
10,001 - 20,000	270	1.83	3744000	4.66
20,001 - 30,000	40	0.27	1020000	1.27
30,001 - 40,000	17	0.12	608000	0.76
40,001 - 50,000	7	0.05	334000	0.42
50,001 - 1,00,000	15	0.10	1007000	1.25
1,00,001 and above	17	0.12	42860000	53.34
<b>Total</b>	<b>14721</b>	<b>100.00</b>	<b>80353000</b>	<b>100.00</b>



**VEENA TEXTILES LIMITED**  
KOMARAPALAYAM - 638 183



**DIRECTORS' REPORT TO THE SHAREHOLDERS**

- k) Dematerialisation of Shares :  
The shares of the company are available for demat and 121500 shares were demated as on 31.03.2014 and the shares are not traded in any of the Stock Exchanges during the year under review.
- 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 : 5  
ii) No. of Complaints Not solved : Nil  
iii) No. of Pending transfers : Nil
- o) Compliance Officer : Sri K.S. Elavarashen

**MANAGEMENT DISCUSSION AND ANALYSIS**

**A. Industry Structure & Development :**

The recession prevailing in the Textile Industry continued during the year under review owing to various factors such as non availability of raw material, skilled labours, high labour cost and poor market demand.

Hence the company focused its attention in trading.

**B. Opportunities, Threats & Risks and Concerns :**

Indian Companies are facing intense competition from an organised sector within the Country and from other Countries like Bangladesh, Pakistan, China, Indonesia and Egypt.

**C. Outlook :**

With the recession likely to continue, the outlook for the industry in general is not that much promising.

**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 unauthorised use or disposition and that transactions are authorised, 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 recognises the importance and contribution of its Human Resources for its growth and development and committed to the development of its People.

**G. Cautionary Statement :**

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

**8. COMPLIANCE WITH CORPORATE GOVERNANCE NORMS**

The Company has complied with all the mandatory requirements of Corporate Governance norms as enumerated in Clause 49 of the Listing Agreement with Stock Exchanges.

**DEMATERIALISATION**

As from 02.01.2002, the Company has joined the dematerialisation process. S K D C Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006 have been appointed as our authorised agents. Our deemat identity no viz INE 728 E 01010. Members are advised to contact their Depository Participants and get their shares dematerialised early.

**LISTING**

Owing to severe financial crunch, there had been some outstanding in the listing fees to the Stock Exchanges 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 2013-2014 in excess of the sum prescribed under section 217(2A) (a) of the Companies Act, 1956 read with Companies (particulars of Employees) Rules, 1975.



**VEENA TEXTILES LIMITED**  
KOMARAPALAYAM - 638 183



**DIRECTORS' REPORT TO THE SHAREHOLDERS**

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

Information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, 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 was no untoward incidents during the year under consideration. Strict measures were taken to keep the environments clean and free from pollution.

**ACKNOWLEDGEMENT**

Your Directors acknowledge the continued support and co-operation from Financial Institutions, Banks, Customers, Vendors and Dealers. Further your Directors thank the Shareholders for their continued

confidence in the Company.

Your Directors wish to place on record their deep sense of appreciation for the devoted services of the Staff and Workers of the Company.

For and on behalf of the Board of Directors.

Komarapalayam **K.S. Elavarashen** (DIN : 00007893)  
30th May, 2014 Chairman cum Managing Director

**DECLARATION**

To

Members of Veena Textiles Ltd.,

This is to declare 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.

Komarapalayam **K.S. Elavarashen** (DIN : 00007893)  
30th May, 2014 Chairman cum Managing Director

**CEO / CFO Certification**

a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2014 and to the best of our knowledge and belief:

i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2014 are fraudulent, illegal or violative 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 internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit committee and steps have been taken to rectify these deficiencies.

d) There has not been any significant change in internal control over financial reporting during the year under reference;

e) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and

f) 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.

Komarapalayam **K.S. Elavarashen** (DIN : 00007893)  
30th May, 2014 Chairman cum Managing Director

The above Corporate Governance Report has been placed before the Board of Directors at their meeting held on 30.05.2014 and the same was approved thereat.

**ANNEXURE TO DIRECTORS' REPORT**

The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

**A. CONSERVATION OF ENERGY AS PRESCRIBED IN FORM A**

	2013-2014	2012-2013
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 generator		
Units	Nil	Nil
Units per ltr. of diesel oil	Nil	Nil
Rate / Unit (Rs.)	Nil	Nil
(2) Through steam turbine generator		
Units	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		
Automatic Looms / Terry Looms (Per Meter)	—	—
Embroidered Fabrics (Per Meter)	Nil	Nil
Yarn (Per Kilo Gram)	—	—

**B. TECHNOLOGY ABSORPTION AS PRESCRIBED IN FORM B**

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

	31-3-2014	31-3-2013
a. Earnings		
I. Export Sales	Nil	Nil
II. Freight & Insurance	Nil	Nil
b. Expenditure		
Spares & Accessories purchased	Nil	Nil



**VEENA TEXTILES LIMITED**  
KOMARAPALAYAM - 638 183



**AUDITORS' REPORT TO THE SHAREHOLDERS**

**AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE CLAUSE 49 OF THE LISTING AGREEMENT.**

To the members of Veena Textiles Limited

We have examined the compliance of conditions of corporate governance by Veena Textiles Limited, for the year ended on 31st March, 2014 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges. The compliance on conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation there of, adopted by the company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company complied in all material respects with the conditions of corporate governance as stipulated in the above mentioned Listing agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the investors Grievance committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **V.N.G. NATH ASSOCIATES**  
Chartered Accountants.  
**Gopinath M.S.**  
Partner  
Membership No. 200608  
Firm Regn. No. 7159 S

Komarapalayam  
30th May, 2014

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF VEENA TEXTILES LIMITED**

**Report on the Financial Statements**

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

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

6. In our opinion and to the best of our information and according to the explanations given the information required by the Act in the manner so 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 :

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

**Report on Other Legal and Regulatory Requirements**

7. As required by the Companies (Auditor's Report) Order, 2003 ("the order issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

8. As required by Section 227(3) of the Act, we report that :

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- The Balance Sheet, the statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- In our opinion, the Balance Sheet, the statement of Profit and Loss, and the Cash Flow statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
- On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014 from being appointed as director in terms of Section 274(1) (g) of the Act.

For **V.N.G. NATH ASSOCIATES**  
Chartered Accountants.  
**Gopinath M.S.**  
Partner

Komarapalayam  
30th May, 2014

Membership No. 200608  
Firm Regn. No. 7159 S



**VEENA TEXTILES LIMITED**  
KOMARAPALAYAM - 638 183



**AUDITORS' REPORT TO THE SHAREHOLDERS**

ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014 OF VEENA TEXTILES LIMITED

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that.

i. (a) The Company has generally maintained proper records showing particulars, including quantitative details and situations of fixed assets :

(b) As explained to us, fixed assets, according to the practice of the company, are physically verified by the management at reasonable intervals in phased verification programme which in our opinion is reasonable, looking to the size of the company and the nature of its business. According to the information and explanations give to us, discrepancies noticed on physical verification have been adjusted in the books of account.

(c) The Company has not disposed any fixed assets during the year.

ii (a) As explained to us, inventories have been physically verified during the year by the management.

(b) The produces explained to us, which are followed by the management for physical verifications of inventories, are in our opinion reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) On the basis of our examination of the inventory records of the company, we are of the opinion that, the Company is maintaining proper records of its inventory, Discrepancies which were noticed on physical verification of inventory as compared to book records, have been properly dealt with in the books of account;

iii. The Company has neither granted nor taken any loans secured or unsecured to /from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act 1956.

iv. In our opinion and according to the information and explanations and representations given to us, there are generally adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase 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 our notice;

v. To the best of our knowledge and belief and according to the information and explanations given to us, there were no contracts or arrangements, particulars of which needed to be entered in the Register maintained under Section 301 of the Companies Act, 1956.

vi. The Company has not accepted any deposits from public during the year within the meaning of section 58A of the Companies act, 1956 and the rules framed there under.

vii. In our opinion, the Company though not having internal audit system but has adequate internal control commensurate with its size and nature of its business.

viii. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, without carrying out a detailed examination, and are of the opinion that prima facie the prescribed accounts and records have been maintained.

ix. (a) According to the records of the Company it has been regularly depositing undisputed statutory dues like Investor Education and and protection Fund, income Tax, Sales Tax,

Wealth Tax, Custom duty, Service Tax, Central Excise duty and Cess and other statutory duties with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Service Tax, Excise Duty and Cess were in arrears as at 31<sup>st</sup> March 2014 for a period more than six months from the date they become payable.

(b) On the basis of our examination of the documents and records, there are no disputed statutory dues which have not been deposited with the appropriate authorities as at 31<sup>st</sup> March, 2014.

x. (i) The accumulated losses at the end of the financial year has exceeded its 50% of Net worth.

(ii) There is cash loss of Rs.5.99 lacs during the year and there is cash loss Rs.0.94 during the financial year ended 31.03.2013.

xi. The Company has not repaid the dues to the financial Institutions/Banks/Debtenture Holders

Particulars	Amount in Lacs	Period from Which Outstanding
IIBI	157.77	1996

xii. As explained to us, the Company has not granted any loans or advances on the basis of security by way of pledge of Shares, debentures or any other Securities.

xiii. The provisions of any special statue applicable to chit fund/nidhi/ mutual benefit fund / societies are not applicable to the Company.

xiv. The company is not dealing or trading in shares, securities debuntures and other investments.

xv. 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.

xvi. On the basis of the records examined by us, and the information and explanations given to us the company has not obtained any term loan during the year.

xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.

xviii. According to the information and explanations given to us and the records examined by us, during the year, the company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

xix. On the basis of the records and documents examined by us, the company has not issued any debentures during the year ;

xx. The Company has not raised any money by public issue, during the year;

xxi. In our opinion and according to the information and explanations given to us, no material fraud on or by the company has been noticed or reported during the course of our audit.

For **V.N.G. NATH ASSOCIATES**  
Chartered Accountants.  
**Gopinath M.S.**  
Partner

Komarapalayam  
30th May, 2014

Membership No. 200608  
Firm Regn. No. 7159 S





**VEENA TEXTILES LIMITED**  
KOMARAPALAYAM - 638 183



**BALANCE SHEET AS AT 31ST MARCH 2014**

	NOTES NO.	AS AT 31-03-2014 RS. ('000)	AS AT 31-03-2013 RS. ('000)
<b>SOURCES OF FUNDS</b>			
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. SHAREHOLDERS' FUNDS</b>			
a) Share Capital	1	80353.00	80353.00
b) Reserves & Surplus	2	-11718.48	-10295.19
<b>Sub Total - Share holders Fund</b>		<b>68634.52</b>	<b>70057.81</b>
<b>2. NON CURRENT LIABILITIES</b>			
a) Long Term Borrowings	3	15777.62	15777.62
b) Deferred Tax Liabilities (net)			
c) Long Term Provisions			
<b>Sub Total - Non Current Liabilities</b>		<b>15777.62</b>	<b>15777.62</b>
<b>3. CURRENT LIABILITIES</b>			
a) Short Term Borrowings			
b) Trade payable	4	1591.02	1651.94
c) Other Current Liabilities	5	6929.79	6502.84
d) Short Term Provisions	6	600.97	600.97
<b>Sub Total - Current Liabilities</b>		<b>9121.78</b>	<b>8755.74</b>
<b>Total Equity and Liabilities</b>		<b>93533.92</b>	<b>94591.17</b>
<b>II. ASSETS</b>			
<b>1. NON CURRENT ASSETS</b>			
a) Fixed Assets			
i) Tangible Assets	7	5344.70	6169.44
ii) Intangible Assets			
iii) Capital Work in Progress			
b) Non Current Investments	8	139.80	139.80
c) Long Term Loans and Advances			
d) Other Non Current Assets			
<b>Sub Total - Non Current Assets</b>		<b>5484.50</b>	<b>6309.24</b>
<b>2. CURRENT ASSETS</b>			
a) Current Investments	9	15754.19	15810.33
b) Inventories	10	31832.01	31832.46
c) Trade Receivable	11	111.76	210.81
d) Cash and Cash Equivalents	12	40351.46	40428.33
e) Short Term Loans and Advances			
f) Other Current Assets			
<b>Sub Total - Current Assets</b>		<b>88049.42</b>	<b>88281.93</b>
<b>Total Assets</b>		<b>93533.92</b>	<b>94591.17</b>

Significant Accounting Policies Notes 1 to 12  
attached to the Balance Sheet form an Integral part thereof.

On Behalf of the Board

To be read with our report of even date

**K.S. Elavarashen**  
Chairman cum Managing Director  
Komarapalayam  
30th May, 2014

**R. Velmurugan**  
Director

For **V.N.G. NATH ASSOCIATES**  
Chartered Accountants.

**Gopinath M.S.**  
Partner  
Membership No. 200608  
Firm Regn. No. 7159 S



**VEENA TEXTILES LIMITED**  
KOMARAPALAYAM - 638 183



**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2014**

	NOTES NO.	YEAR ENDED 31-03-2014 RS. ('000)	YEAR ENDED 31-03-2013 RS. ('000)
<b>INCOME</b>			
Sales (less Returns)	13	1330.05	2525.85
Other Income	14	28.07	17.83
		<hr/>	<hr/>
	<b>TOTAL</b>	<b>1358.12</b>	<b>2543.68</b>
<b>EXPENDITURE</b>			
Material Consumed	15	0.00	0.00
Purchase of Goods	16	1043.39	2001.07
Change in Inventories	17	56.15	-98.70
Employees Benefit and Expenses	18	154.03	135.42
Other Expenses	19	702.74	599.06
Finance Charges	20	0.36	0.32
		<hr/>	<hr/>
	<b>TOTAL</b>	<b>1956.67</b>	<b>2637.17</b>
<b>PROFIT BEFORE DEPRECIATION</b>		-598.55	-93.49
Depreciation		824.74	901.79
		<hr/>	<hr/>
<b>PROFIT / - (LOSS) BEFORE TAX</b>		-1423.29	-995.28
Provision for Taxation		0.00	0.00
		0.00	0.00
		<hr/>	<hr/>
<b>PROFIT / - (LOSS) AFTER TAX</b>		<b>-1423.29</b>	<b>-995.28</b>
Basic and diluted earning per share of face value of Rs.10/- each		-0.18	-0.12

On Behalf of the Board

To be read with our report of even date

**K.S. Elavarashen**  
Chairman cum Managing Director

**R. Velmurugan**  
Director

For **V.N.G. NATH ASSOCIATES**  
Chartered Accountants.

**Gopinath M.S.**  
Partner  
Membership No. 200608  
Firm Regn. No. 7159 S

Komarapalayam  
30th May, 2014



**VEENA TEXTILES LIMITED**  
KOMARAPALAYAM - 638 183



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014**

	Year Ended 31-03-2014 Rs. ('000)	Year Ended 31-03-2013 Rs.('000)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	-1423.29	-995.28
Adjustments for :		
Depreciation	824.74	901.79
Interest Charged	0.00	0.00
Loss on sale of fixed assets	0.00	0.00
Profit on sale of fixed assets	0.00	0.00
Issue expenses written off	0.00	0.00
Expenses relating to earlier year	0.00	0.00
Operating profit before operating capital charges	-598.55	-93.49
Adjusted for :		
Inventories	56.15	
Trade receivable	0.45	
Loans and Advances	76.87	
Liabilities (excludes interest payable)	366.03	
	499.50	211.46
Cash generated from operations	-99.05	117.97
Interest paid	0.00	0.00
Cash from operating activities	-99.05	117.97
Direct taxes refund / (paid) net	0.00	0.00
Net Cash generated from operating activities	-99.05	117.97
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of fixed assets	0.00	0.00
Sale of fixed assets	0.00	0.00
Inter corporate deposit	0.00	0.00
Sale of Investments	0.00	7.40
Cash generated from Investment activities	0.00	7.40
<b>C. CASH FLOW FROM FINANCE ACTIVITIES</b>		
Dividend paid	0.00	0.00
Interest Paid	0.00	0.00
Net decrease in secured loan	0.00	0.00
Cash Generated from Financing Activities	0.00	0.00
Net cash and cash equivalents (A+B+C)	-99.05	125.37
Opening balance of cash and cash equivalents	210.81	85.44
Closing balance of cash and cash equivalents	111.76	210.81
	-99.05	125.37
For and on Behalf of the Board		
	K.S. Elavarashen Chariman cum Managing Director	R. Velmurugan Director
<b>AUDITORS' CERTIFICATE</b>		
We have verified the above cash flow statement of Veena Textiles Limited derived from the audited annual financial statements for the year ended 31st March 2014, and found the same to be drawn in accordance therewith and also with the requirements of Clause 32 of the listing agreements with stock exchanges.		
Komarapalayam 30th May, 2014		For <b>V.N.G. NATH ASSOCIATES,</b> Chartered Accountants, <b>Gopinath M.S.</b> Partner Membership No. 200608 Firm Regn. No. 7159 S



**VEENA TEXTILES LIMITED**  
KOMARAPALAYAM - 638 183



**NOTES ON ACCOUNTS**

**SIGNIFICANT ACCOUNTING POLICIES**

1. The Accounts are prepared on Historical Cost and on accrual basis except those mentioned elsewhere in the report.
2. **FIXED ASSETS.**  
Fixed Assets are stated at cost inclusive of all direct expenditure.
3. **DEPRECIATION**  
Depreciation has been provided as under :
  - a. For the assets purchased on or before 31.03.1993 written down value method and
  - b. For the assets purchased on or after 1.04.1993 straight line method : - at the rates specified in the schedule XIV of the Companies Act, 1956.
4. **INVESTMENTS** : Investment are stated at cost.
5. **INVENTORIES** :  
The bought out items such as basic cloth for embroidery, dyes and chemicals, packing materials, stores, and yarn have been valued at cost adopting FIFO method. Semifinished and production excluding basic cloth portion have been valued at average cost.
6. **SALES** : Sales include trading and jobwork activities.

**7. GRATUITY**

Gratuity provision has been made in the books in respect of gratuity payable to employees based on actuarial valuation. Reconciliation of opening and closing balances of the present value of the defined benefit obligation.

	Rs.
Obligation at period beginning	56,224
Service Cost	-----
Interest on Defined benefit obligation	-----
Benefits settled (expected)	-----
Actuarial (gain) / Loss	-----
Past Service Cost	-----
Obligation at period end	56,224

**8. BONUS**

Bonus has been paid on calendar year basis.

**9. FOREIGN CURRENCY TRANSLATION**

All payments made in foreign currency are translated into rupees at the rate at which it is debited by the bank. Export sales are translated at the rate prevailing on the date of sale. Balances in the form of Current Assets and Current Liabilities outstanding at the close of the year, are converted in Indian currency at the appropriate rates of exchange prevailing at the date of the Balance Sheet.

**10. PUBLIC ISSUE AND RIGHTS ISSUE EXPENSES**

This expenses is amortised over a period of Ten Years.

**NOTES ON ACCOUNTS**

	AS AT 31-03-2014 RS. ('000)	AS AT 31-03-2013 RS. ('000)
--	-----------------------------------	-----------------------------------

**NOTE : 1**

**CAPITAL**

A. Authorised 1,00,00,000 Equity Shares of Rs. 10/- each	100000.00	100000.00
B. Issued 80,36,600 Equity Shares of Rs. 10/- each	80366.00	80366.00
C. Subscribed & Fully Paid-up 80,35,300 Equity Shares of Rs. 10/- each	80353.00	80353.00

(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 (Contd.)**

Share holding of share holders holding more than 5% of shares	AS AT 31-03-2014		AS AT 31-03-2013	
SHARE HOLDING OF SHARE HOLDERS HOLDING MORE THAN 5% OF SHARES	No. of Shares	% of Holding	No. of Shares	% of Holding
Unit Trust of India ( A/c Vecaus-II )	5,00,000	6.22	5,00,000	6.22
			AS AT 31-03-2014 RS. ('000)	AS AT 31-03-2013 RS. ('000)

**NOTE : 2**

**RESERVES & SURPLUS**

1. Share Premium Account	39636.00	39636.00
2. General Reserve	48802.52	48802.52
3. Profit and Loss Account		
Opening Balance	-98733.71	-97738.43
Less : Loss during the year	-1423.29	-995.28
Closing Balance	-100157.00	-98733.71
Total	-11718.48	-10295.19

**NOTE : 3**

**SECURED LOANS**

**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 & Book debts of the company and also personally guaranteed by the Managing Director	15777.62	15777.62
--	----------	----------

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.19977619 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.

	15777.62	15777.62
--	----------	----------



**VEENA TEXTILES LIMITED**  
KOMARAPALAYAM - 638 183



**NOTES ON ACCOUNTS (Contd.)**

	AS AT 31-03-2014 RS. ('000)	AS AT 31-03-2013 RS. ('000)
<p>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.</p>		
<b>NOTE : 4</b>		
<b>TRADE PAYABLES :</b>		
Trade Micro, Small, Medium Enterprises*	—	—
Trade Others	1591.02	1651.94
	<u>1591.02</u>	<u>1651.94</u>
<p>* 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.</p>		
	AS AT 31-03-2014 RS. ('000)	AS AT 31-03-2013 RS. ('000)
<b>NOTE : 5</b>		
<b>OTHER CURRENT LIABILITIES :</b>		
Expenses	4629.29	4449.26
Other Liabilities	1310.18	1063.25
Customers' Credit Balances	990.32	990.32
	<u>6929.79</u>	<u>6502.83</u>
<b>NOTE : 6</b>		
<b>B) SHORT TERM PROVISIONS</b>		
Provision for Taxation	544.75	544.75
Provision for Gratuity	56.22	56.22
	<u>600.97</u>	<u>600.97</u>



# VEENA TEXTILES LIMITED

KOMARAPALAYAM - 638 183



## NOTE FORMING PART OF BALANCE SHEET

### NOTE : 7 FIXED ASSETS

Sl. No.	PARTICULARS	COST				DEPRECIATION				NET BLOCK	
		Cost As on 01.04.2013	Additions during the year	Sales / adj during the year	Cost As on 31.03.2014	Provision Up to 31.03.2013	Provision during the year	Adjustment during the year	Total upto 31.03.2014	W.D.V. as at 31.03.2014	W.D.V. as at 31.03.2013
A.	LAND	697.94	0.00	0.00	697.94	0.00	0.00	0.00	0.00	697.94	697.94
B.	BUILDING	10,472.06	0.00	0.00	10,472.06	6,747.92	318.29	0.00	7,066.21	3,405.85	3,724.14
C.	MACHINERIES	7,359.55	0.00	0.00	7,359.55	6,993.37	97.74	0.00	7,091.11	268.44	366.18
D.	FACTORY EQUIPMENTS	187.80	0.00	0.00	187.80	173.58	4.84	0.00	178.42	9.38	14.22
E.	ELECTRICAL MACHINERIES	10,078.23	0.00	0.00	10,078.23	8,756.11	386.39	0.00	9,142.50	935.73	1,322.12
F.	FURNITURE AND FITTINGS	363.10	0.00	0.00	363.10	359.88	0.76	0.00	360.64	2.46	3.22
G.	OFFICE EQUIPMENTS	2,471.09	0.00	0.00	2,471.09	2,429.55	16.72	0.00	2,446.27	24.82	41.54
H.	VEHCLES	1,432.77	0.00	0.00	1,432.77	1,432.69	0.00	0.00	1,432.69	0.08	0.08
I.	LIVE STOCK	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	TOTAL	33,062.54	0.00	0.00	33,062.54	26,893.10	824.74	0.00	27,717.84	5,344.70	6,169.44

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



**VEENA TEXTILES LIMITED**  
KOMARAPALAYAM - 638 183



**NOTES ON ACCOUNTS (Contd.)**

	AS AT 31-03-2014 RS. ('000)	AS AT 31-03-2013 RS. ('000)
<b>NOTE : 8</b>		
<b>INVESTMENTS (AT COST)</b>		
<b>TRADE</b>		
13820 Equity Shares of Rs. 10/- each in Tan India Limited, Komarapalayam fully paid-up (quoted) (Market Value : Not traded)	139.80	139.80
	<u>139.80</u>	<u>139.80</u>
<b>NOTE : 9</b>		
<b>INVENTORIES</b>		
(Valued as certified by the Management)		
ii) Work-in-progress - at cost and at average cost	2264.57	2264.56
ii) Finished Goods (at cost and at average cost)	13489.62	13545.77
	<u>15754.19</u>	<u>15810.33</u>
<b>NOTE : 10</b>		
<b>TRADE RECEIVABLES :</b>		
<b>Sundry Debtors (Unsecured) - considered good</b>		
i) Debts outstanding for a period exceeding six months (The above includes debts due by concerns in which directors are interested Rs. 25151122.78 (Previous Year : Rs. 25151122.78))	31823.05	31823.06
ii) Other Debts	8.96	9.40
	<u>31832.01</u>	<u>31832.46</u>
<b>NOTE : 11</b>		
<b>CASH AND BANK EQUIVALENTS</b>		
i) Cash on hand	44.55	42.54
ii) Balance with scheduled Banks		
a) In current account	67.21	168.27
	<u>111.76</u>	<u>210.81</u>





**VEENA TEXTILES LIMITED**  
KOMARAPALAYAM - 638 183



**NOTES ON ACCOUNTS (Contd.)**

	AS AT 31-03-2014 RS. ('000)	AS AT 31-03-2013 RS. ('000)
<b>NOTE : 12</b>		
<b>LOANS AND ADVANCES</b>		
Advances Recoverable in Cash or in kind for which value to be received :		
Advances for Purchase of Goods	3795.94	3795.94
Staff Advances	0.00	19.00
Leasement and Rental	2073.00	2073.00
Prepaid Expenses	0.17	0.17
Receivables	29237.53	29324.69
Others etc.	5244.81	5215.53
-Unsecured Considered good (Include amount due by concerns in which Directors are Interested Rs. 4757198.62 (Previous Year : 4757198.62))	<u>40351.45</u>	<u>40428.33</u>
<b>NOTE : 13</b>		
<b>SALES OF PRODUCTS AND SERVICES</b>		
Embroidered Cloth	15.65	243.39
Plain Cloth	1235.00	1840.16
Dhothies & Others	79.40	442.29
	<u>1330.05</u>	<u>2525.84</u>
<b>NOTE : 14</b>		
<b>OTHER INCOME</b>		
Agricultural Income	20.00	0.00
Miscellaneous and other Receipts	8.07	17.82
	<u>28.07</u>	<u>17.82</u>
<b>NOTE : 15</b>		
<b>COST OF MATERIALS CONSUMED</b>	NIL	NIL
<b>NOTE : 16</b>		
<b>COST OF PURCHASE OF GOODS</b>		
<b>PURCHASES</b>		
Plain Fabrics	979.83	1484.13
Embroidered Fabrics	11.41	17.00
Dhothies etc.	52.15	499.94
	<u>1043.39</u>	<u>2001.07</u>



**VEENA TEXTILES LIMITED**  
KOMARAPALAYAM - 638 183



**NOTES ON ACCOUNTS (Contd.)**

	YEAR ENDED 31-03-2014 RS. ('000)	YEAR ENDED 31-03-2013 RS. ('000)
<b>NOTE : 17</b>		
<b>INCREASE IN STOCK</b>		
Stock at Commencement		
Finished Goods	13545.77	13447.07
Work-in-progress	2264.56	2264.56
	<b>15810.33</b>	<b>15711.63</b>
Stock At Close		
Finished Goods	13489.62	13545.77
Work-in-progress	2264.56	2264.56
	<b>15754.18</b>	<b>15810.33</b>
Increase in Stock	<b>-56.15</b>	<b>98.70</b>
<b>NOTE : 18</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, Wages and Bonus	154.03	135.42
	<b>154.03</b>	<b>135.42</b>
<b>NOTE : 19</b>		
<b>OTHER EXPENSES</b>		
Rent for Building	36.00	40.40
Printing & Stationery	96.08	80.39
Lighting Expenses	3.66	9.26
Freight, Cartage & Packing Materials	9.15	7.30
Travelling Expenses	52.20	41.45
Rent Rates and Taxes	39.17	36.93
Postage, Telegram & Telephone	74.94	80.82
Sitting Fees	5.00	5.00
Auditors Remuneration		
Audit fees (Includes service tax)	25.00	25.00
Taxation	0.00	0.00
Legal Fees and Expenses	0.54	0.00
Consulting and Other fees	85.00	76.59
Advertisement	33.46	34.91
General Expenses	242.54	161.01
	<b>702.74</b>	<b>599.06</b>



**VEENA TEXTILES LIMITED**  
KOMARAPALAYAM - 638 183



**NOTES ON ACCOUNTS (Contd.)**

	YEAR ENDED 31-03-2014 RS. ('000)	YEAR ENDED 31-03-2013 RS. ('000)
<b>NOTE : 20</b>		
<b>FINANCE CHARGES</b>		
Interest on Secured Loan	0.00	0.00
Interest on Unsecured Loan	0.00	0.00
Interest on Others	0.00	0.00
Bank Charges	0.36	0.32
	<hr/>	<hr/>
	<b>0.36</b>	<b>0.32</b>
	<hr/>	<hr/>
<b>NOTE : 21</b>		
<b>Value of stores and spares consumed :</b>		
1. Imported - value	—	—
(Percentage)		
2. Indigenous - Value	—	—
(Percentage)		
<b>NOTE : 22</b>		
<b>Expenditure in Foreign Currency</b>	—	—
<b>NOTE : 23</b>		
<b>Earnings in Foreign Currency</b>	—	—
<b>NOTE : 24</b>		
<b>Managerial Remuneration</b>	—	—
( Managing Director's Remuneration has not been paid during the year )		
<b>NOTE : 25</b>		
Estimated amount of contract remaining to be executed on capital account and not provided for	NIL	NIL



**VEENA TEXTILES LIMITED**  
KOMARAPALAYAM - 638 183



**NOTES ON ACCOUNTS (Contd.)**

**NOTE : 26**

1. Disclosure of related party transactions.

**Names of related parties and description of relationship**

1. Subsidiaries : none
2. Associates : none
3. Key management personnel (KMP)  
Shri K.S. Elavarashen, Chairman cum Managing Director
4. Enterprises with common key management personnel  
K.S. Elavarashen (Ind)  
K.S. Elavarashen (Huf)
5. Enterprises in which key management Personnel and their relatives have Significant influence  
E. Pushpa (Ind)  
KPE Ravindran (Ind)  
Superfine Bleaching Company Ltd
6. Relatives of key management personnel.  
E. Pushpa, Wife of K.S. Elavarashen  
K.P.E. Ravindran Son of K.S. Elavarashen

Sl No.	Particulars	KMP	Rs. (000's) Relative KMP
Transactions for the year ended 31.03.2014			
1.	Purchases	—	—
2.	Sales	—	—
3.	Rent paid	—	—
4.	Services Received	—	—
7.	Services Rendered	—	—
8.	Remuneration paid	—	—
9.	Rent Received	—	—
Outstanding as on 31.03.2014			
1.	Advances	4757.20	4757.20
2.	Creditors	—	—



**VEENA TEXTILES LIMITED**  
KOMARAPALAYAM - 638 183



**NOTES ON ACCOUNTS (Contd.)**

**NOTE : 27**

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

**NOTE : 28**

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.

**NOTE : 29**

The Company has unabsorbed and carried forward losses under Tax laws. In absence of virtual certainty of sufficient future taxable income, net deferred assets 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.

On Behalf of the Board

**K.S. Elavarashen**  
Chairman cum Managing Director  
Komarpalayam  
30th May, 2014

**R. Velmurugan**  
Director

**NOTE : 30**

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. 3.11.2003.

**NOTE : 31**

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

To be read with our report of even date

**FOR V.N.G. NATH ASSOCIATES**  
Chartered Accountants

**Gopinath M.S.**  
Partner

Membership No. 200608  
Firm Regn. No. 7159 S