

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

Smt Pazhanisamy Selvamani

Women 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

Smt Pazhanisamy Selvamani

Finance Committee

Shri K.S. Elavarashen - Chairman

Shri K. Varadharajan

Share Transfer Committee

Shri R. Velmurugan - Chairman

Shri K. Varadharajan

Stake Holders Relationship Committee

Shri R. Velmurugan - Chairman

Shri K.S. Elavarashen

Shri K. Varadharajan

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.

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**49th ANNUAL REPORT
2015 - 2016**



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Forty Nineth Annual General Meeting (GM1 of 2016-17) of the Company will be held on Friday the 30th September 2016, at 9.00 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 2016, 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 on as an Ordinary Resolution :

RESOLVED THAT pursuant to Section 139 and other applicable provisions, if any of the Companies Act 2013 (Act) and the rules made there under, the appointment of Mr. V. Ramesh B.Com., A.C.A., Chartered Accountant, Erode Membership Number as Statutory Auditors of the Company for a period of five years from the conclusion of the Annual General Meeting until the conclusion of the 54th Annual General Meeting subject to ratification in each Annual General Meeting in the place of M/s V.N.G.Nath Associates (Firm Reg No.7159S), Chartered Accountants, Chennai until the conclusion of the 49th Annual General Meeting, be and are hereby approved.

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 2016-17.

SPECIAL BUSINESS:

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

RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 198 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the said Act, including any statutory modification(s) or re-enactment thereof, for the time being in force, the consent be and is hereby accorded to the re-appointment of Sri K.S. Elavarashen as Managing Director of the Company without salary for a further period of five Years with effect from 01.02.2017 to 31.01.2022.

5. To consider and if thought fit, to pass with or without modification, the following on as a Special 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. A. Balasubramanian (DIN : 00047093), Director of the Company who retires at the ensuing Annual General Meeting under the provisions of the Companies Act, 2013 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.A. Balasubramanian (DIN : 00047093) as a candidate for the office of Independent Director of the Company and who has submitted a declaration that he/she 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 29th September 2021.

Komarapalayam
12.08.2016

By order of the Board
K.S. Elavarashen
Chairman cum Managing Director



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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.
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 4 is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from **24.09.2016 to 30.09.2016 (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 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.
7. Electronic copy of the Annual Report 2016 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 2016 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.
8. Electronic copy of the Notice of the 49th 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 49th 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.
9. Members may also note that the Notice of the 49th Annual General Meeting and the Annual Report 2016 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
 - I. 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 is pleased to provide e-voting facility to its members the facility to in respect of business to be transacted at the 49th Annual General Meeting (AGM). The business may be transacted through remote e-voting Services provided by Central Depository Services Limited (CDSL)
11. M/s. C.Thirumurthy and Associates, Practising Company Secretary (Membership No. FCS 3454 CP No. 5179) has been appointed as the Scrutinizer to Scrutinize the remote e-voting process in a fair and transparent manner.



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12. The voting through electronic means will be available from 27th September 2016, 9.00 A.M. to 29th September, 2016, 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 for voting electronically are as under:-

In case of members receiving e-mail:

- (I) The voting period begins on 27.09.2016 at 9.00 AM and ends on 29.09.2016 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 23.09.2016 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.co.in
- (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)
	<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 last 8 digits of the demat account/folio 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 folio number 100 then enter RA00000100 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 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).

- (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.



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- (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 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, 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, 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 thereunder and the revised Regulation 44 of the Listing Regulations voting by show of hands will not be available to the members at the 49th Annual General Meeting in view of provisions of Sec 107 read with Sec 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 2016 (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.



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15. Kindly note that members can opt for only one mode of voting i.e., either by physical ballot or through remote e-voting. If members are opting for remote 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 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 48 hours days 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 two (2) days 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.

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

Item No.4

As the earlier terms of appointment of the Sri. K.S.Elavarashen Managing Director would be expiring on 30.01.2017, the Board of Directors of the Company unanimously decided to re-appoint him for a period of 5 years with effect from 01.02.2017 without remuneration subject to the approval of Company in General Meeting. The Nomination and Remuneration Committee, has considered in its Meeting held on 12.08.2016 and accepted the appointees gracious and voluntary request to the Committee not to consider any remuneration. This disclosure may also be read and treated as compliance with the requirements of Section 190 of the Companies Act, 2013. He has not in Committee of any other Companies. He holds 744300 Equity Shares forming part of 9.3% of the paid up Capital of the Company.

Mr. K.S.Elavarashen is commerce gradute having More than 40 years experience in textile industry and he is well suited for proposed appointment. Accordingly this resolution is now put forth before the members.

MEMORANDUM OF INTEREST

None of the Directors of the Company is interested or concerned in the resolution and proposed appointee.

Item No.5

Sri. A. Balasubramanian (DIN : 00047093), aged 70 years has more than four decade experience in textile business.

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. A. Balasubramanian (DIN : 00047093) as Independent Director. He will hold office for a period of five years from the conclusion of this Annual General Meeting. This disclosure may also be read and treated as compliance with the requirements of Section 190 of the Companies Act, 2013

In the opinion of the Board, Sri. A. Balasubramanian (DIN : 00047093) 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 is concerned or interested in the resolution.

Komarapalayam
12.08.2016

By order of the Board
K.S. Elavarashen
Chairman cum Managing Director



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



DIRECTORS' REPORT TO THE SHAREHOLDERS

LADIES AND GENTLEMEN :

Your Directors have great pleasure in presenting their Forty Ninth Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2016.

FINANCIAL RESULTS :

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

	(Rupees in lacs)	
	2015-2016	2014-2015
Sales	14.75	14.29
Other Income	0.76	1.05
Total Expenditure	27.12	30.63
Financial Charges	Nil	Nil
Gross Profit / (Loss) after interest before		
Depreciation and Taxation	Nil	-15.29
Depreciation	4.29	6.20
Net Profit / (Loss)	-16.66	-21.49

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 & Interest wherever applicable except pending disputed term loan of IIBI before Debt Recovery Tribunal Chennai.

DIRECTORS

During the year the Company has appointed Smt P Selvamani Women Independent Director as required

under the provisions of Section 149 of the Companies Act 2013 and listing agreement on 27.06.2015.

Sri K Varadharajan Director of the Company passed away on 2.08.2016. The Board placed on record the invaluable services rendered by him during his tenure of office.

During the current year Sri A Balasubramanian was appointed as an Additional Director of the Company on 12.08.2016 and his period expires at the ensuing Annual General Meeting and in this connection a Notice and requisite deposit has been received from a member for appointing him as a Director of the Company.

KEY MANAGERIAL PERSONNEL :

Sri. K.S.Elavarashen, Managing Director is Key Managerial Personnel of the Company and the Company is taking necessary steps to appoint 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 2015 -16, Six 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.



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DIRECTORS' REPORT TO THE SHAREHOLDERS

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.

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

M/s V N G Nath Associates, Chartered Accountants Chennai was appointed as Statutory Auditors of the Company for a period of three years from the conclusion of 47th Annual General Meeting (2014) to 50th Annual General Meeting 2017 and due to demise of Sri M S Gopinath Chartered Accountant they have opted out the reappointment and hence in his place Mr V Ramesh B Com ACA Chartered Accountant, Erode (Membership Number 234812) as Statutory Auditors of the Company for a period of five years from the conclusion of this Annual General Meeting until the conclusion of the 54th Annual General Meeting subject to ratification in each Annual General Meeting in the place of M/s V.N.G. Nath Associates (Firm Reg No.7159S), Chartered Accountants Chennai and in this connection necessary resolutions are placed for the members approval.

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

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.

The Company has appointed a Practising Chartered Accountant an Internal Auditor of the Company.

AUDITORS REPORT

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

The Report of Secretarial Audit is annexed herewith.

PARTICULARS OF EMPLOYEES:

There were no employees, who were in receipt of remuneration of Rs.60,00,000/- per annum or Rs.5,00,000/- 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 confirm 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, 2016 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.



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DIRECTORS' REPORT TO THE SHAREHOLDERS

- 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.

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 details of vigil mechanism / Whistle Blower Policy is given in the Corporate Governance Report. Any reportable matters be 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 endeavours 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 2016, 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 an 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.

Komarapalayam
12.08.2016

By order of the Board
K.S. Elavarashen
Chairman cum Managing Director



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, 2016 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. K. Varadharajan	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 Six times during the financial year 2015 -16 i.e. on 29.05.2015, 27.06.2015, 14.08.2015, 30.09.2015, 13.11.2015, and 12.02,2016. 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	6	Yes	—	—	—
2.	Shri. R.Velmurugan	6	Yes	—	—	3000
3.	Shri K. Varadharajan	6	Yes	—	—	3000
4.	Smt. P. Selvamani	5	Yes	—	—	2500



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. Smt P Selvamani was appointed as a member of the Audit Committee on 27.6.2015 during the year.

The Committee had four meetings during the year under review on 29.05.2015, 14.08.2015, 13.11.2015, and 12.02.2016. All the Committee members present at the Meetings.

NOMINATION AND REMUNERATION COMMITTEE:

The Committee held two meetings on 27.06.2015 and 12.02.2016. 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.

FINANCE COMMITTEE

The committee held four meetings on 29.05.2015, 14.08.2015, 13.11.2015, and 12.02.2016. 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.

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 29.05.2015, 14.08.2015, 13.11.2015, and 12.02.2016. All the Committee members present at the Meetings.

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 29.05.2015, 14.08.2015, 13.11.2015, and 12.02.2016. 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
2012-2013	27.09.2013	10.00 A M	11-F, Gandhipuram Komarapalayam
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

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

Date of AGM/EGM	Particulars of Special Resolution passes
27.09.2013	Nil
30.09.2014	1. Fixing of Borrowing Limits 2. Create a charge on immovable / Movable properties of the Company
30.09.2015	Nil

POSTAL AND E VOTING:

In pursuance of the listing Agreement, E Voting, Postal Voting facilities and voting at the AGM were extended to all the shareholders of the Company for the current year.



VEENA TEXTILES LIMITED
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DIRECTORS' REPORT TO THE SHAREHOLDERS

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 are also arranged to stock exchanges.

Madras, Mumbai and Coimbatore due to financial constraint.

7. General Shareholder Information :

- a) Annual General Meeting
Date & Time : 30th September 2016, at 9.00 A.M.
Venue : 11F, Gandhipuram Main Road,
Komarapalayam - 638 183.
- b) Financial Calender (Tentative)
Annual General Meeting : 30th September 2017
Results for Q.E. 30.06.2016 : Second Week of Aug 2016
Results for Q.E. 30.09.2016 : Second Week of Nov 2016
Results for Q.E. 31.12.2016 : Second Week of Feb 2017
Results for Q.E. 31.03.2017 : Last Week of May 2017
- c) Book Closure Date : 24.09.2016 to 30.09.2016
(Both days inclusive)
- d) Dividend Payment Date : Not Applicable
- e) Listing of Equity Shares on Stock Exchanges at : 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 - 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 31.03.2016
- | | 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 |



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DIRECTORS' REPORT TO THE SHAREHOLDERS

b) Distribution of Share holding as on 31.03.2016

(1) Value (Rs.)	(2) No. of Shareholders	(3) %	(4) Amount	(5) %
Upto 5,000	13708	92.95	2569000	31.97
5001 - 10,000	675	4.58	515100	6.41
10,001 - 20,000	269	1.82	372000	4.63
20,001 - 30,000	38	0.26	96400	1.20
30,001 - 40,000	18	0.12	64600	0.80
40,001 - 50,000	7	0.05	33400	0.42
50,001 - 1,00,000	15	0.10	98800	1.23
1,00,001 and above	17	0.12	4286000	53.34
Total	14747	100.00	8035300	100.00

k) Dematerialisation of Shares :

The shares of the company are available for demat and 128600 shares were demated as on 31.03.2016 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 : Nil

ii) No. of Complaints Not solved : Nil

iii) No. of Pending transters : Nil

o) Compliance Officer : Sri K.S. Elavarashen

RISK MANAGEMENT

The Risk Management Policy is disseminated in the website.

RELATED PARTY TRANSACTIONS (RPT).

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

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.

B. Opportunities, Threats & Risks and concerns :

Indian Companies are facing intense competition from an organized 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"



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DIRECTORS' REPORT TO THE SHAREHOLDERS

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 transactions are authorized use Or disposition and that transactions are authorized, recorded and reported Correctly.

E. Financial and operational Perfomance :

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 Managements 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.

8. COMPLAINE 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.

DEMATERIALIZATION

As from 02.01.2002, the Company has joined the dematerialization 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 authorized agents. Our deemat identity no viz INE 728 EO1010. 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 2015-2016 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 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 Share holders 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 Executives, Staff and Workers of the Company.

For and on behalf of the Board of Directors.

Komarapalayam **K.S. Elavarashen**
30.05.2016 Chairman cum Managing Director

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.

Komarapalayam **K.S. Elavarashen**
30.05.2016 Chairman cum Managing Director



VEENA TEXTILES LIMITED
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DIRECTORS' REPORT TO THE SHAREHOLDERS

CEO / CFO CERTIFICATION

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2016 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, 2016 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for controls for financial reporting and we have evaluated the effectiveness of 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:

- i. There were no deficiencies in the design or operation of internal controls that could adversely affect the company.
- ii. There has not been any significant change in internal control over financial reporting during the year under reference;
- iii. There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
- iv. 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**
30.05.2016 Chairman cum Managing Director

The above Corporate Governance Report has been placed before the Board of Directors at their meeting held on 30.05.2016 and the same was approved thereat.

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

	2015-2016	2014-2015
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	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)

	31-3-2016	31-3-2015
a. Earnings		
I. Export Sales	Nil	Nil
II. Freight & Insurance	Nil	Nil
b. Expenditure		
Spares & Accessories purchased	Nil	Nil

Komarapalayam **K.S. Elavarashen**
12.08.2016 Chairman cum Managing Director



VEENA TEXTILES LIMITED
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ANNEXURE FORMING PART OF DIRECTORS' REPORT :

Form No. MGT-9

ANNUAL RETURN

As on the financial year ended on 31/03/2016

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 <input checked="" type="checkbox"/>
		2. Private Company <input type="checkbox"/>
	Sub Category of the Company [Please tick whichever are applicable]	1. Government Company <input type="checkbox"/>
		2. Small Company <input type="checkbox"/>
		3. One Person Company <input type="checkbox"/>
		4. Subsidiary of Foreign Company <input type="checkbox"/>
		5. NBFC <input type="checkbox"/>
		6. Guarantee Company <input type="checkbox"/>
		7. Limited by shares <input checked="" type="checkbox"/>
		8. Unlimited Company <input type="checkbox"/>
		9. Company having share capital <input checked="" type="checkbox"/>
		10. Company not having share capital <input type="checkbox"/>
		11. Company Registered under Section 8 <input type="checkbox"/>
v)	Address of the Registered Office and contact details	309, SALEM MAIN ROAD KOMARAPALAYAM 638 183 Namakkal District
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



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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	Textile Trading	520721	100
2			
3			

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	Applicable Section
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 31.03.2015)				No. of Shares held at the end of the year (As on 31.03.2016)				% 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)	-	-	-	0.00	-	-	-	0.00	-
c) Bodies Corporate	-	-	-	0.00	-	-	-	0.00	-
d) Financial Institutions/ Banks	-	-	-	0.00	-	-	-	0.00	-
e) Any Others (Specify)	-	-	-	0.00	-	-	-	0.00	-
TRUSTS	-	-	-	0.00	-	-	-	0.00	-
Sub Total(A)(1)	-	2701720	2701720	33.62	0	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)	-	-	-	-	-	-	-	-	-



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ANNEXURE FORMING PART OF DIRECTORS' REPORT :

Category of shareholders	No. of Shares held at the beginning of the year (As on 31.03.2015)				No. of Shares held at the end of the year (As on 31.03.2016)				% 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 (CORPCAT)	-	-	-	-	-	-	-	-	-
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	43000	44000	0.55	1000	43100	44100	0.55	0.001
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs 1 lakh	119500	3590200	3709700	46.17	123500	3586200	3709700	46.17	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 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	500	-	500	0.01	400	-	400	0.01	-0.001
Sub-Total (B)(2)	121200	4094880	4216080	52.47	125100	4090980	4216080	52.47	0.000
Total Public Shareholding (B)= (B)(1)+(B)(2)	121500	5212080	5333580	66.38	125400	5208180	5333580	66.38	0.000
C. Shares held by Custodian for GDRs & ADRs									
GRAND TOTAL (A) + (B) + (C)	121500	7913800	8035300	100.00	125400	7909900	8035300	100.00	0.000



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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



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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	Pushpa E	391340	4.87	391340	4.87	391340	4.87
2	Elavarashen K .S.	375460	4.67	375460	4.67	375460	4.67
3	Elavarashen K S (H.U.F.)	372400	4.64	372400	4.64	372400	4.64

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

	Secured Loans excluding deposits		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 MD / WTD / Manager				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	—	—	—	—	—
	Total (A)	—	—	—	—	—
	Ceiling as per the Act	—	—	—	—	—

A. Remuneration to other directors

SN	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	—	—	—	—	—
	Fee for attending board committee meetings	—	—	—	—	—
	Commission	—	—	—	—	—
	Others, please specify	—	—	—	—	—
	Total (1)	—	—	—	—	—
2	Other Non-Executive Directors	—	—	—	—	—
	Fee for attending board committee meetings	—	—	—	—	—
	Commission	—	—	—	—	—
	Others, please specify	—	—	—	—	—
	Total (2)	—	—	—	—	—
	Total (B) = (1 + 2)	—	—	—	—	—
	Total Managerial Remuneration	—	—	—	—	—
	Overall Ceiling as per the Act	—	—	—	—	—

A. 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	---	---	---	---

XII. 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					



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



AUDITOR'S REPORT TO THE SHAREHOLDERS

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

(The Company voluntarily complies the corporate governance. This certificate is issued at the request of the company though clause 49 was not applicable to company as per SEBI circular dt.15.9.2014)

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, 2016 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 thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

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 expect.

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.
3. The Company has not provided e-voting facilities to the members to cast their votes however it has provided facility of voting through Postal Ballot Form to the members to cast the vote and the Notice for the 47th Annual General Meeting was despatched through Ordinary Post.

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.
M.S. VAIDYANATHAN
Partner

Komarapalayam
30 / 05 / 2016

Membership No.014393
Firm Regn. No. 7159 S

INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2016.

TO THE MEMBERS OF VEENA TEXTILES LIMITED

REPORT OF THE STANDALONE FINANCIAL STATEMENTS :

We have audited the accompanying standalone financial statements of Veena Textiles Limited (the Company) which comprise the Balance Sheet as at 31st March 2016, the Profit and loss Statement, 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 STANDALONE FINANCIAL STATEMENTS:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013 (the Act) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flow 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 maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the order under section 143(11) of the Act.

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



VEENA TEXTILES LIMITED
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AUDITOR'S REPORT TO THE SHAREHOLDERS

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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purposes of expressing an opinion on whether the Company has in place an adequate internal financial controls system over the financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the company's Directors as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us the accompanying financial statement give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2016 and its loss and its cash flows for the year ended on that date.

Reports on Other Legal and Regulatory Requirements:

As required by the Companies (Auditor's Report) Order 2016 ('the order') issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in Annexure A statement on the matters specified in paragraphs 3 and 4 of the said order to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet Profit and loss Statement and the Cash Flow Statements dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act as applicable.
- e) On the basis of written representation received from the directors as on 31st March 2016, taken on records by the Board of Directors, none of the directors are disqualified as on 31st March 2016, from being appointed as director in terms of Section 164(2) of the Act.
- f) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies Act (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial positions in its financial statements as referred to in Note 3 to the 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.

Komarapalayam
30 / 05 / 2016

For **V.N.G. NATH ASSOCIATES**
Chartered Accountants.
M.S. VAIDYANATHAN
Partner
Membership No.014393
Firm Regn. No. 7159 S



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



AUDITORS' REPORT TO THE SHAREHOLDERS

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31st March 2016

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 programmed of physical verification of fixed over a period of three years which in our opinion is reasonable having regard to the size of the Company and the nature of its business; accordingly the physical verification part of the Fixed assets was carried out by the management during the year and we are informed that 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 verifications of inventories, followed by the management in our opinion are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion the Company is maintaining proper record of inventory. The 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 not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act 2013.

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. In our opinion and according to the information and explanations given to us we have not observed any major weakness in the internal control system during the course of audit.

v. In our opinion and according to the information and explanations given to us the Company has not accepted any deposits.

vi. Cost records have not been prescribed to the Company.

vii. a. According to the records of the Company it has been regularly depositing undisputed statutory dues like Investor Education and protection Fund, Provident Fund, income Tax, Sales Tax, Wealth Tax, Custom duty, Service Tax, Central Excise duty and Cess and other statutory duties with appropriate authorities.

b. 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 31st March 2016 for a period more than six months from the date they become payable.

c. According to the information and explanations given to us 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 us 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.

viii. The accumulated losses at the end of the financial year has exceeded its 50% of Net worth. There is cash loss during the year and also in the immediately preceding financial period.

xi. The Company has not repaid the dues to the financial institutions as detailed below:

Particulars	Amount in Lakhs	Period from Which Outstanding
IIBI	157.77	1996

x. 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.

xi. The Company has not received any new term loan during the year under review.

xii. According to the information and explanations given to us no fraud on or by the company has been noticed or reported during the year.

xiii. The Company has not paid the Managing Directors remuneration.

xiv. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xv. 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 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.

xvi. 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.

xvii. 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.

xviii. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

M.S. VAIDYANATHAN
Partner

Komarapalayam
30 / 05 / 2016

Membership No.014393
Firm Regn. No. 7159 S



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



BALANCE SHEET AS AT 31ST MARCH 2016

	NOTES NO.	AS AT 31-03-2016 RS. ('000)	AS AT 31-03-2015 RS. ('000)
SOURCES OF FUNDS			
I. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
a) Share Capital	1	80353.00	80353.00
b) Reserves & Surplus	2	-15534.05	-13868.27
Sub Total - Share holders Fund		64818.95	66484.73
2. NON CURRENT LIABILITIES			
a) Long Term Borrowings	3	15777.62	15777.62
b) Deferred Tax Liabilities (net)			
c) Long Term Provisions			
Sub Total - Non Current Liabilities		15777.62	15777.62
3. CURRENT LIABILITIES			
a) Short Term Borrowings			
b) Trade payable	4	2953.38	2301.50
c) Other Current Liabilities	5	10207.81	9918.87
d) Short Term Provisions	6	600.97	600.97
Sub Total - Current Liabilities		13762.16	12821.34
Total Equity and Liabilities		94358.73	95083.69
II. ASSETS			
1. NON CURRENT ASSETS			
a) Fixed Assets			
i) Tangible Assets	7	4295.05	4724.39
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			
Sub Total - Non Current Assets		4434.85	4864.19
2. CURRENT ASSETS			
a) Current Investments	9	15589.96	15590.06
b) Inventories	10	31832.01	31848.81
c) Trade Receivable	11	125.79	137.68
d) Cash and Cash Equivalents	12	42376.13	42642.95
e) Short Term Loans and Advances			
f) Other Current Assets			
Sub Total - Current Assets		89923.89	90219.50
Total Assets		94358.73	95083.69

Significant Accounting Policies and 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, 2016

R. Velmurugan
Director

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

M.S. VAIDYANATHAN
Partner
Membership No. 014393
Firm Regn. No. 7159 S



VEENA TEXTILES LIMITED

KOMARAPALAYAM - 638 183



STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2016

	NOTES NO.	YEAR ENDED 31-03-2016 RS. ('000)	YEAR ENDED 31-03-2015 RS. ('000)
INCOME			
Sales (less Returns)	13	1475.44	1429.60
Other Income	14	0.76	105.00
		<hr/>	<hr/>
TOTAL		1476.20	1534.60
EXPENDITURE			
Purchase of Goods	15	1420.80	1252.88
Change in Inventories	16	0.10	164.12
Employees Benefit and Expenses	17	200.76	172.50
Other Expenses	18	1090.16	1473.48
Finance Charges	19	0.82	1.09
		<hr/>	<hr/>
TOTAL		2712.64	3064.07
PROFIT BEFORE DEPRECIATION		-1236.44	-1529.47
Depreciation		429.34	620.32
		<hr/>	<hr/>
PROFIT / - (LOSS) BEFORE TAX		-1665.78	-2149.79
Provision for Taxation		0.00	0.00
		0.00	0.00
		<hr/>	<hr/>
PROFIT / - (LOSS) AFTER TAX		-1665.78	-2149.79
		<hr/>	<hr/>
Basic and diluted earning per share of face value of Rs.10/- each		-0.21	-0.27
Significant Accounting Policies, Notes 7 and Notes 13 to 19 attached herewith Form and Integral Part thereof.			
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.	
		M.S. VAIDYANATHAN Partner Membership No. 014393 Firm Regn. No. 7159 S	
Komarpalayam 30th May, 2016			



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

	Year Ended 31-03-2016 Rs. ('000)	Year Ended 31-03-2015 Rs.('000)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	-1665.78	-2149.79
Adjustments for :		
Depreciation	429.34	620.32
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	-1236.44	-1529.47
Adjusted for :		
Inventories	0.10	
Trade receivable	16.80	
Loans and Advances	266.83	
Liabilities (excludes interest payable)	940.83	
	1224.56	1555.39
Cash generated from operations	-11.88	25.92
Interest paid	0.00	0.00
Cash from operating activities	-11.88	25.92
Direct taxes refund / (paid) net	0.00	0.00
Net Cash generated from operating activities	-11.88	25.92
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
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	0.00
Cash generated from Investment activities	0.00	0.00
C. CASH FLOW FROM FINANCE ACTIVITIES		
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)	-11.88	25.92
Opening balance of cash and cash equivalents	137.66	111.76
Closing balance of cash and cash equivalents	125.78	137.68
	-11.88	25.92
For and on Behalf of the Board		
K.S. Elavarashen Chariman cum Managing Director	R. Velmurugan Director	
AUDITORS' CERTIFICATE		
We have verified the above cash flow statment of Veena Textiles Limited derived from the audited annual financial statements for the year ended 31st Martch 2015, 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, 2016		For V.N.G. NATH ASSOCIATES, Chartered Accountants, M.S. VAIDYANATHAN Partner Membership No. 014393 Firm Regn. No. 7159 S



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



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 provision 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

	AS AT 31-03-2016 RS. ('000)	AS AT 31-03-2015 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 31-03-2016		AS AT 31-03-2015	
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 31-03-2016 RS. ('000)	AS AT 31-03-2015 RS. ('000)
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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	-102306.79	-100157.00
Less : Loss during the year	-1665.78	-2149.79
Closing Balance	-103972.57	-102306.79
Total	-15534.05	-13868.27

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
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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
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VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



NOTES ON ACCOUNTS (Contd.)

	AS AT 31-03-2016 RS. ('000)	AS AT 31-03-2015 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> <p>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.)</p>		
NOTE : 4		
TRADE PAYABLES :		
Trade Micro, Small, Medium Enterprises*	—	—
Trade Others	2953.38	2301.50
	<u>2953.38</u>	<u>2301.50</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 31-03-2016 RS. ('000)	AS AT 31-03-2015 RS. ('000)
NOTE : 5		
OTHER CURRENT LIABILITIES :		
Expenses	8821.33	7890.99
Other Liabilities	396.16	1037.56
Customers' Credit Balances	990.32	990.32
	<u>10207.81</u>	<u>9918.87</u>
NOTE : 6		
B) SHORT TERM PROVISIONS		
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 01.04.2015	Additions during the year	Sales / adj during the year	Cost As on 31.03.2016	Provision Up to 31.03.2015	Provision during the year	Adjustment during the year	Total upto 31.03.2016	W.D.V. as at 31.03.2016	W.D.V. as at 31.03.2015
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	7,368.48	286.08	0.00	7,654.56	2,817.50	3,103.58
C.	MACHINERIES	7,359.55	0.00	0.00	7,359.55	7,249.17	34.25	0.00	7,283.42	76.13	110.38
D.	FACTORY EQUIPMENTS	187.80	0.00	0.00	187.80	184.60	0.87	0.00	185.47	2.33	3.20
E.	ELECTRICAL MACHINERIES	10,078.23	0.00	0.00	10,078.23	9,287.29	107.68	0.00	9,394.97	683.26	790.94
F.	FURNITURE AND FITTINGS	363.10	0.00	0.00	363.10	361.33	0.46	0.00	361.79	1.31	1.76
G.	OFFICE EQUIPMENTS	2,471.09	0.00	0.00	2,471.09	2,454.57	0.00	0.00	2,454.57	16.52	16.52
H.	VEHCLES	1,432.77	0.00	0.00	1,432.77	1,432.71	0.00	0.00	1,432.71	0.06	0.07
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	28,338.15	429.34	0.00	28,767.49	4,295.05	4,724.39

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



VEENA TEXTILES LIMITED
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NOTES ON ACCOUNTS (Contd.)

	AS AT 31-03-2016 RS. ('000)	AS AT 31-03-2015 RS. ('000)
NOTE : 8		
INVESTMENTS (AT COST)		
TRADE		
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>
NOTE : 9		
INVENTORIES (Valued as certified by the Management)		
i) Work-in-progress - at cost and at average cost	2264.56	2264.56
ii) Finished Goods (at cost and at average cost)	13325.40	13325.50
	<u>15589.96</u>	<u>15590.06</u>
NOTE : 10		
TRADE RECEIVABLES :		
Sundry Debtors (Unsecured) - considered good		
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))	31832.01	31823.04
ii) Other Debts	0.00	25.77
	<u>31832.01</u>	<u>31848.81</u>
NOTE : 11		
CASH AND BANK EQUIVALENTS		
i) Cash on hand	79.42	69.88
ii) Balance with scheduled Banks		
a) In current account	46.37	67.80
	<u>125.79</u>	<u>137.68</u>



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NOTES ON ACCOUNTS (Contd.)

	AS AT 31-03-2016 RS. ('000)	AS AT 31-03-2015 RS. ('000)
NOTE : 12		
LOANS AND ADVANCES		
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	0.00
Leaserent and Rental	2073.00	2073.00
Prepaid Expenses	0.17	0.17
Receivables	29200.59	29357.31
Inter Corporate Deposit	0.00	0.00
Others etc.	7306.43	7416.53
-Unsecured Considered good (Include amount due by concerns in which Directors are Interested Rs. 4757198.62 (Previous Year : 4757198.62))	<u>42376.13</u>	<u>42642.95</u>
NOTE : 13		
SALES OF PRODUCTS AND SERVICES		
Embroidered Cloth	10.71	6.68
Plain Cloth	1391.40	1347.60
Dhothies & Others	73.33	75.33
	<u>1475.44</u>	<u>1429.60</u>
NOTE : 14		
OTHER INCOME		
Agricultural Income	0.00	15.00
Miscellaneous and other Receipts	0.76	90.00
	<u>0.76</u>	<u>105.00</u>
NOTE : 15		
COST OF PURCHASE OF GOODS		
PURCHASES		
Cotton Yarn	1420.80	1196.98
Plain Fabrics	0.00	4.65
Embroidered Fabrics	0.00	51.25
	<u>1420.80</u>	<u>1252.88</u>



VEENA TEXTILES LIMITED
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NOTES ON ACCOUNTS (Contd.)

	YEAR ENDED 31-03-2016 RS. ('000)	YEAR ENDED 31-03-2015 RS. ('000)
NOTE : 16		
INCREASE IN STOCK		
Stock at Commencement		
Finished Goods	13325.50	13489.62
Work-in-progress	2264.56	2264.56
	<u>15590.06</u>	<u>15754.18</u>
Stock At Close		
Finished Goods	13325.40	13325.50
Work-in-progress	2264.56	2264.56
	<u>15589.96</u>	<u>15590.06</u>
Increase in Stock	0.10	164.12
NOTE : 17		
EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and Bonus	200.76	172.50
	<u>200.76</u>	<u>172.50</u>
NOTE : 18		
OTHER EXPENSES		
Rent for Building	39.60	39.60
Printing & Stationery	134.60	362.40
Lighting Expenses	4.27	3.45
Packing Materials etc.	8.35	8.69
Travelling Expenses	75.19	173.46
Rent Rates and Taxes	14.39	39.67
Postage, Telegram & Telephone	48.70	77.96
Sitting Fees	9.00	6.00
Auditors Remuneration		
Audit fees (Includes service tax)	28.09	28.09
Taxation	0.00	0.00
Legal Fees and Expenses	35.00	140.75
Consulting and Other fees	77.20	104.65
Advertisement	44.21	96.72
General Charges	571.56	392.05
	<u>1090.16</u>	<u>1472.48</u>



VEENA TEXTILES LIMITED
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NOTES ON ACCOUNTS (Contd.)

	YEAR ENDED 31-03-2016 RS. ('000)	YEAR ENDED 31-03-2015 RS. ('000)
NOTE : 19		
FINANCE CHARGES		
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	0.82	1.09
	0.82	1.09
NOTE : 20		
Value of stores and spares consumed :		
1. Imported - value (Percentage)	—	—
2. Indigenous - Value (Percentage)	—	—
NOTE : 21		
Expenditure in Foreign Currency	—	—
NOTE : 22		
Earnings in Foreign Currency	—	—
NOTE : 23		
Managerial Remuneration	—	—
(Managing Director's Remuneration has not been paid during the year)		
NOTE : 24		
Estimated amount of contract remaining to be executed on capital account and not provided for	NIL	NIL
NOTE : 25		
1. Disclosure of related party transactions.		
Names of related parties and description of relationship		



VEENA TEXTILES LIMITED
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NOTES ON ACCOUNTS (Contd.)

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 31.03.2016			
1.	Purchases	—	—
2.	Sales	—	—
3.	Rent paid	—	—
4.	Services Received	—	—
7.	Services Rendered	—	—
8.	Remuneration paid	—	—
9.	Rent Received	—	—
Outstanding as on 31.03.2016			
1.	Advances	4757.20	4757.20
2.	Creditors	—	—

NOTE : 26

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

NOTE : 27

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 : 28

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
Komarapalayam
30th May, 2016

R. Velmurugan
Director

NOTE : 29

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 : 30

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

M.S. VAIDYANATHAN
Partner
Membership No. 014393
Firm Regn. No. 7159 S



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST March, 2016

[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.

G.Soundararajn, M.Com., ACS
Practicing Company Secretary
Membership No. 13993
CP 4993

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, 2016 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, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (g) 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;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;



SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST March, 2016

- (vi) and other applicable laws applicable to a Textile Industry Viz., Textile Control Orders, Textile (Development and Regulation) Order, Agriculture Produce(Market Committee Act 1991 etc.,

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE and The Stock Exchange of Ahmedabad and also listing regulations

During the period under review the Company has complied the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above except to the extent as mentioned below:

1. The Company has not paid the listing fees to BSE and The Stock Exchange of Ahmedabad and the trading of the scrips 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 Company has not provided e voting facilities to the members to cast their votes however it has provided facility of voting through Poatal Ballot and Poll at AGM to cast their vote.
4. The Annual Report were stated to have been dispatched to individual shareholders by ordinary post.
5. 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.
6. The Company has filed a case against IFCI Limited in Hon'ble Madras High Court, Madurai Bench disputing IFCI's claim against the Company.
7. Sri K S Elavarshan 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.
8. 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 Maduari,
9. The Company stated that uploading of documents are pending with the BSE Online Portal for want of User ID and Password.
10. 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.



VEENA TEXTILES LIMITED
KOMARAPALAYAM - 638 183



SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST March, 2016

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 : 1.08.2016

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 : 01.08.2016

Sd/- Practising Company Secretary

VEENA TEXTILES LIMITED

KOMARAPALAYAM - 638 183.



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