



# **VEEJAY LAKSHMI ENGINEERING WORKS LIMITED**

FIFTIETH ANNUAL REPORT 2024-2025

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**BOARD OF DIRECTORS**

**Sri V.J. JAYARAMAN** (DIN 00137340)  
Chairman

**Sri J. ANAND** (DIN 00137425)  
Managing Director

**Sri D. RANGANATHAN** (DIN 00137566)  
Whole Time Director  
Chief Financial Officer

**Smt ARTHI ANAND** (DIN 07151584)  
Director

**Sri K. NARENDRA** (DIN 00412219)  
Independent Director

**Sri R. GURUBATHAM** (DIN 10746471)  
Independent Director

**Sri T.S.V. RAJAGOPAL** (DIN 07148250)  
Independent Director

**Smt SASIREKHA VENGATESH** (DIN 07745957)  
Independent Director

**COMPANY SECRETARY**

**Sri V.K. SWAMINATHAN**

**REGISTERED OFFICE**

Sengalipalayam  
N.G.G.O. Colony Post  
Coimbatore 641 022  
CIN: L29191TZ1974PLC000705

**AUDITOR**

**M/s. NRD Associates**  
Chartered Accountants  
No. 48, Manchillu  
Race Course, Coimbatore - 641 018

**SECRETARIAL AUDITOR**

**Sri K. DURAISAMI**  
Practicing Company Secretary  
Coimbatore – 641 002

**WORKS****Engg. Unit**

Sengalipalayam  
Coimbatore 641 022

**Textiles Unit**

Thekkampatti  
Mettupalayam Taluk  
Coimbatore 641 113

**WIND MILLS**

- I. Kethanur, Palladam  
Tirupur 638 671
- II. Sinjuwadi, Pollachi  
Coimbatore 642 007
- III. Irukkanthurai, Radhapuram  
Tirunelveli District 627 011

**REGISTRAR & SHARE TRANSFER AGENT****M/s. MUFG INTIME INDIA P. LTD**

"Surya," 35, Mayflower Avenue  
Sowripalayam Road  
Coimbatore - 641 028



## NOTICE TO SHAREHOLDERS

Notice is hereby given that the Fiftieth Annual General Meeting of the shareholders of Veejay Lakshmi Engineering Works Limited will be held on Thursday the 11th day of September 2025 at 10.30 AM at Chamber Towers, Indian Chamber of Commerce and Industry, 8/733, Avinashi Road, Coimbatore - 641 018 to transact the following business:

### Ordinary Business:

1. To consider and adopt the Annual Financial Statements including Statement of Profit and Loss, Cash Flow Statement for the year ended 31st March 2025, the Balance Sheet as on that date, the Report of Board of Directors and the Auditors' Report thereon.
2. To appoint a Director in the place of Sri V.J. Jayaraman (DIN 00137340), who retires by rotation and being eligible, offers himself for re-appointment.

### Special Business:

3. To consider and approve the re-appointment of Sri J. Anand as Managing Director and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:  
'RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including statutory modification or amendment or re-enactment thereof and subject to such other approvals as may be necessary, consent of shareholders be and is hereby accorded for the reappointment of Sri. J. ANAND (DIN 00137425) as Managing Director of the Company for a period of three years from 01/10/2025 to 30/09/2028 on the following terms and conditions:

### REMUNERATION:

- i) Salary : Rs. 2,50,000/- per month

In addition to the above salary the Managing Director is entitled to perquisites and allowances as detailed below:

#### CATEGORY A:

- a) Medical Reimbursement :  
Reimbursement of medical expenses incurred for self and family.
- b) Leave Travel Concession :  
Once in a year for self and family.
- c) Personal Accident Insurance :  
Premium not exceeding Rs.5000/- per annum.
- d) Club Fees :  
Reimbursement of Club Fees, subject to a maximum of three clubs.

#### CATEGORY B:

The Company shall provide a car with driver and telephone facility at the residence of the Managing Director.

Provision of car with driver and telephone facility at residence for use on company's business will not be considered as perquisites. Personal long distance calls on telephone and use of the car for private purposes shall be billed by the Company to the Managing Director.

The Managing Director shall be entitled to reimbursement of all actual expenses including expenses on entertainment and traveling incurred in the course of company's business.



ii) Commission:

Such remuneration by way of commission in addition to salary and perquisites and allowance shall be payable, calculated with reference to the net profits of the Company in a particular financial year, at such percentage as may be determined by the Board of Directors of the Company at the end of each financial year, subject to overall ceilings stipulated in section 197 of the Companies Act, 2013. The commission amount shall however in no case exceed the annual salary amount and will be payable annually after annual accounts have been approved by the Board of Directors and adopted by the shareholders.

iii) Perquisites:

In addition to the salary the Managing Director shall also be entitled to interchangeable perquisites, like furnished accommodation and where accommodation is not provided HRA, gas, electricity, water, furnishings, medical reimbursement, LTA for self and family, club fees, medical insurance, etc., in accordance with the rules of the Company, such perquisites being restricted to the amount equal to the salary drawn per annum.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules wherever applicable.

In addition, the Managing Director shall be entitled to Company's contribution to Provident Fund as per rules of the Company to the extent it is not taxable under the Income Tax Act, 1961. Gratuity payable shall not exceed half months salary for each completed year of service.

The Managing Director is entitled to encashment of leave at the end of the tenure. These benefits shall not be included in the computation of the ceiling on remuneration and perquisites.

"RESOLVED FURTHER THAT the minimum remuneration and perquisites to be paid in the event of loss or inadequacy of profit in any financial year during the tenure of office shall be as per Schedule V of the Companies Act, 2013."

4. To consider and approve the appointment of Sri K.Duraisami, Company Secretary in Practice as Secretarial Auditor of the Company for the first term of five (5) consecutive financial years and in this regard, if thought fit, to give assent to the following Resolution to be passed as an Ordinary Resolution:

RESOLVED THAT pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 204 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any amendment(s), statutory modification(s) thereof, for the time being in force) and on the recommendation of the Board of Directors of the Company, Sri K.DURAISAMI, M.No. FCS:6792, CP.No: 18308 Company Secretary in Practice, Coimbatore be and is hereby appointed as the Secretarial Auditor of the Company for the first term of five (5) consecutive financial years commencing from the financial year 2025-26 at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Secretarial Auditor.

Place : Coimbatore  
Date : 07/08/2025

By Order of the Board  
**V.J. Jayaraman**  
Chairman



**NOTE:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, DULY COMPLETED, MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM FOR THE AGM IS ENCLOSED.
2. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. 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 SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
3. Members / proxies should present the duly filled attendance slip enclosed herewith to attend the meeting.
4. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
5. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
6. The Register of Members and share transfer books of the Company will remain closed from Friday, the 5th September 2025 to Thursday, the 11th September 2025 (both days inclusive) as per Sec.91 of the Companies Act, 2013 and Reg.42(1) of the Listing Regulations.
7. Members whose shareholding is in the electronic mode are requested to direct change of address notifications, nominations and update of bank account details to their respective Depository participant(s).
8. Members are requested to address all correspondences, including change of address and dividend matters, to the Registrar and Share Transfer Agents of the Company, M/s MUFG Intime India Private Limited, Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641 028.
9. Members who wish to claim dividend, which remain unclaimed, are requested to correspond with the Registrar and Share Transfer Agents of the Company. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, pursuant to Section 124 of the Companies Act, 2013 be transferred to the Investor Education and Protection Fund (IEPF).
10. The dividend which remains unclaimed / unpaid for seven years consecutively and those shares in respect of which dividend was not claimed for seven consecutive years will be liable to be transferred to IEPF Authority as per provisions of the Act and rules in this respect. As per provisions of Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 the Company has transferred / will be transferring unclaimed shares on which the beneficial owner has not encashed any dividend warrant during the last seven years, to the demat account of IEPF Authority. The members shall be entitled to claim the shares from IEPF authority in accordance with the procedure and after submission of documents as prescribed by IEPF authority from time to time.
11. The details of unpaid/unclaimed dividend and the details of shares transferred to the IEPF authority as required under rules in this respect are available on the website of the company [www.veejaylakshmi.com](http://www.veejaylakshmi.com).



12. Brief resume, details of shareholding and Directors' inter-se relationship of Director seeking election/re-election as required under Reg. 36(3) of the Listing Regulations, are provided as Annexure to this notice.
13. As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register their e-mail address with the Company or the Registrars and Share Transfer Agent in respect of shares held in physical form and with the concerned Depository Participant in respect of shares held in electronic form to enable the Company to serve documents in electronic form.
14. As per the provisions of Section 72 of the Act, facility for making nominations is now available to Individual(s) holding shares in the Company. Members holding shares in physical form may obtain the Nomination Form from the Registrars and Share Transfer Agents of the Company. Members holding shares in electronic form have to approach their depository participants for completing the nomination formalities.
15. A member who needs any clarification on accounts or operations of the Company shall write to the Compliance Officer, so as to reach him at least 7 days before the meeting, so that the information required can be provided.
16. Electronic copy of the Annual Report and AGM Notice are being sent to all the members whose E-mail id is registered with the Company / Registrars and Share Transfer Agent unless any member has requested for a hard copy of the same.
17. The notice of the Annual General Meeting and this communication are also available on the website of the Company [www.veejaylakshmi.com](http://www.veejaylakshmi.com).

#### **Voting Through Electronic Means**

In compliance with the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Reg.44 of the Listing Regulations, the Company is pleased to provide members facility to exercise their votes for all the resolutions detailed in the Notice of the 50th Annual General Meeting scheduled to be held on Thursday, the 11th September 2025 at 10.30 A.M by electronic means and the business may be transacted through remote e-voting. The Company has engaged the services of MUFG Intime India Private Limited as the authorized agency to provide the remote e-voting facilities as per instructions below.

The Members, who have not voted through remote e-voting and present at the AGM in person or proxy, can vote through the ballot at the AGM. Kindly note that members can opt for only one mode of voting i.e., either through remote e-voting or by ballot at the AGM .

In case of Members casting their vote by remote e-voting, then voting done through remote e-voting shall prevail. A member present at the AGM and voted by remote e-voting will not be permitted to vote at the AGM by Ballot.

Votes cast by members who hold shares on the cut off date 04.09.2025 alone will be counted.

The Board has appointed Sri. B. Krishnamoorthi, No. 16, Bharathi Park Road, 2nd Cross Street, Saibaba Colony, Coimbatore - 641011 as Scrutinizer for conducting the e-voting process and ballot at AGM.

#### **The instructions for shareholders voting electronically are as under:**

- i. The remote e-voting period begins at 09.00 AM on 08.09.2025 and ends on 10.09.2025 at 05.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 04.09.2025, may cast their votes electronically. The e-voting module shall be disabled by MUFG Intime for voting thereafter.

Place : Coimbatore  
Date : 07/08/2025

By Order of the Board  
**V.J. Jayaraman**  
Chairman



### **Remote e-Voting Instructions for shareholders**

In terms of SEBI circular no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants.

Shareholders are advised to update their mobile number and email Id correctly in their demat accounts to access e-Voting facility.

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

Individual Shareholders holding securities in demat mode with NSDL

#### **METHOD 1 - Individual Shareholders registered with NSDL IDeAS facility**

##### **Shareholders who have registered for NSDL IDeAS facility:**

- a) Visit URL: <https://eservices.nsdl.com> and click on “Beneficial Owner” icon under “Login”.
- b) Enter User ID and Password. Click on “Login”
- c) After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services.
- d) Click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

OR

##### **Shareholders who have not registered for NSDL IDeAS facility:**

- a) To register, visit URL: <https://eservices.nsdl.com> and select “Register Online for IDeAS Portal” or click on <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
- b) Proceed with updating the required fields.
- c) Post successful registration, user will be provided with Login ID and password.
- d) After successful login, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services.
- e) Click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

#### **METHOD 2 -**

##### **Individual Shareholders directly visiting the e-voting website of NSDL**

- a) Visit URL: <https://www.evoting.nsdl.com>
- b) Click on the “Login” tab available under ‘Shareholder/Member’ section.
- c) Enter User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.
  - Post successful authentication, you will be re-directed to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services.
  - Click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.



**Individual Shareholders holding securities in demat mode with CDSL****METHOD 1 – Individual Shareholders Registered with CDSL Easi/ Easiest Facility****Shareholders who have registered/ opted for CDSL Easi/ Easiest facility:**

- a) Visit URL: <https://web.cdslindia.com/myeasitoken/Home/Login> or [www.cdslindia.com](http://www.cdslindia.com).
- b) Click on New System Myeasi Tab
- c) Login with existing my easi username and password
- d) After successful login, user will be able to see e-voting option. The evoting option will have links of e-voting service providers i.e., MUFG InTime, for voting during the remote e-voting period.
- e) Click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

OR

**Shareholders who have not registered for CDSL Easi/ Easiest facility:**

- a) To register, visit URL: <https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration> / <https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration>
- b) Proceed with updating the required fields.
- c) Post registration, user will be provided username and password.
- d) After successful login, user able to see e-voting menu.
- e) Click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

**METHOD 2 -****Individual Shareholders directly visiting the E-Voting website of CDSL**

- a) Visit URL: <https://www.cdslindia.com>
- b) Go to e-voting tab.
- c) Enter Demat Account Number (BO ID) and PAN No. and click on “Submit”.
- d) System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account
- e) After successful authentication, click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

**Individual Shareholders holding securities in demat mode with Depository Participant**

Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL / CDSL for e-voting facility.

- a) Login to DP website
- b) After Successful login, user shall navigate through “e-voting” option.
- c) Click on e-voting option, user will be redirected to NSDL / CDSL Depository website after successful authentication, wherein user can see e-voting feature.
- d) After successful authentication, click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.



**Login method for shareholders holding securities in physical mode /  
Non-Individual Shareholders holding securities in demat mode**

Shareholders holding shares in physical mode / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for InstaVote as under:

a) Visit URL: <https://instavote.linkintime.co.in>

**Shareholders who have not registered for INSTAVOTE facility:**

b) Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details:

**A. User ID:**

NSDL demat account – User ID is 8 Character DP ID followed by 8 Digit Client ID.

CDSL demat account – User ID is 16 Digit Beneficiary ID.

Shareholders holding shares in physical form – User ID is Event No + Folio Number registered with the Company.

**B. PAN:**

Enter your 10-digit Permanent Account Number (PAN)

(Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

**C. DOB/DOI:**

Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

**D. BANK ACCOUNT NUMBER:**

Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

\* Shareholders holding shares in NSDL form, shall provide ‘D’ above

\*\* Shareholders holding shares in physical form but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above

- Set the password of your choice

(The password should contain minimum 8 characters, at least one special Character (!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).

- Enter Image Verification (CAPTCHA) Code
- Click “Submit” (You have now registered on InstaVote).

**Shareholders who have registered for INSTAVOTE facility:**

c) Click on “Login” under ‘SHARE HOLDER’ tab.

A. User ID: Enter your User ID

B. Password: Enter your Password

C. Enter Image Verification (CAPTCHA) Code

D. Click “Submit”

d) Cast your vote electronically:

A. After successful login, you will be able to see the “Notification for e-voting”.

B. Select ‘View’ icon.

C. E-voting page will appear.



- D. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
- E. After selecting the desired option i.e. Favour / Against, click on 'Submit'.

A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

### **Guidelines for Institutional shareholders ("Custodian / Corporate Body/ Mutual Fund")**

#### **STEP 1 – Custodian / Corporate Body/ Mutual Fund Registration**

- a) Visit URL: <https://instavote.linkintime.co.in>
- b) Click on "Sign Up" under "Custodian / Corporate Body/ Mutual Fund"
- c) Fill up your entity details and submit the form.
- d) A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to [insta.vote@linkintime.co.in](mailto:insta.vote@linkintime.co.in).
- e) Thereafter, Login credentials (User ID; Organisation ID; Password) is sent to Primary contact person's email ID. (You have now registered on InstaVote)

#### **STEP 2 – Investor Mapping**

- a) Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- b) Click on "Investor Mapping" tab under the Menu Section
- c) Map the Investor with the following details:
  - A. 'Investor ID' –
    - i. NSDL demat account – User ID is 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678
    - ii. CDSL demat account – User ID is 16 Digit Beneficiary ID.
  - B. 'Investor's Name - Enter Investor's Name as updated with DP.
  - C. 'Investor PAN' - Enter your 10-digit PAN.
  - D. 'Power of Attorney' - Attach Board resolution or Power of Attorney.  
 \*File Name for the Board resolution/ Power of Attorney shall be – DP ID and Client ID or 16 Digit Beneficiary ID. Further, Custodians and Mutual Funds shall also upload specimen signatures.
  - E. Click on Submit button. (The investor is now mapped with the Custodian / Corporate Body/ Mutual Fund Entity). The same can be viewed under the "Report Section".

#### **STEP 3 – Voting through remote e-voting**

The corporate shareholder can vote by two methods, during the remote e-voting period.

#### **METHOD 1 - VOTES ENTRY**

- a) Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- b) Click on "Votes Entry" tab under the Menu section.
- c) Enter the "Event No." for which you want to cast vote.  
Event No. can be viewed on the home page of InstaVote under "On-going Events".
- d) Enter "16-digit Demat Account No." for which you want to cast vote.
- e) Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).



- f) After selecting the desired option i.e. Favour / Against, click on 'Submit'.  
A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

OR

## METHOD 2 - VOTES UPLOAD

- Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- After successful login, you will be able to see the "Notification for e-voting".
- Select "View" icon for "Company's Name / Event number".
- E-voting page will appear.
- Download sample vote file from "Download Sample Vote File" tab.
- Cast your vote by selecting your desired option 'Favour / Against' in the sample vote file and upload the same under "Upload Vote File" option.
- Click on 'Submit'. 'Data uploaded successfully' message will be displayed.  
(Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

## HELPDESK:

### Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode facing any technical issue in login may contact INSTAVOTE helpdesk by sending a request at [enotices@in.mpms.mufig.com](mailto:enotices@in.mpms.mufig.com) or contact on: - Tel: 022 – 4918 6000.

### Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at : 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

## Forgot Password:

### Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on: <https://instavote.linkintime.co.in>

- Click on "Login" under 'SHARE HOLDER' tab.
- Click "forgot password?"
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA).
- Click on "SUBMIT".



In case shareholders have a valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. The password should contain a minimum of 8 characters, at least one special character (!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.

#### **USER ID:**

NSDL demat account – User ID is 8 Character DP ID followed by 8 Digit Client ID.

CDSL demat account – User ID is 16 Digit Beneficiary ID.

Shareholders holding shares in physical form – User ID is Event No + Folio Number registered with the Company.

In case Custodian / Corporate Body/ Mutual Fund has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on: <https://instavote.linkintime.co.in>

- Click on ‘Login’ under “Custodian / Corporate Body/ Mutual Fund” tab
- Click “forgot password?”
- Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA).
- Click on “SUBMIT”.

In case shareholders have a valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing information about the particulars of the Security Question and Answer, PAN, DOB/DOI etc. The password should contain a minimum of 8 characters, at least one special character (!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.

#### **Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:**

Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both, then the Shareholders are advised to use Forget User ID and Forget Password option available at above mentioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event.”

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#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**

##### **Item No. 3**

Sri J. Anand, Managing Director was reappointed for a period of 3 years from 01/10/2022 to 30/09/2025 in conformity with Schedule V of the Companies Act, 2013. The Nomination and Remuneration Committee at its Meeting held on May 29, 2025 had fixed the remuneration as set out in the resolution and recommended his reappointment. His reappointment for another term of three years from 01/10/2025 to 30/09/2028 - as Managing Director and the remuneration payable as per Schedule V of the Companies Act, 2013 have been approved by the Board of Directors at the meeting held on 29-05-2025.



Sri J. Anand has been in the position of Managing Director for more than 25 years. His long experience in management and administration of corporates and his rich technical knowledge and experience is essential for the Company. Sri J. Anand has given his consent to act as Managing Director on his reappointment by the Company.

As such the Board of Directors recommend the resolution for approval by the members.

**Interest of Directors**

None of the Directors and Key Managerial Personnel or their relatives , other than Sri J. Anand himself, Sri V.J. Jayaraman and Smt Arthi Anand are concerned or interested in the resolution.

**Item No. 4**

Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024, the Secretarial Auditors of the Company shall be appointed by the Shareholders of the Company based on the recommendations made by the Board of Directors. Accordingly, the Board of Directors of the Company at their meeting held on 7th August 2025 has recommended the appointment of Sri K. DURAISAMI, Company Secretary in Practice, Coimbatore as the Secretarial Auditor of the Company for a term of five (5) consecutive financial years commencing from the financial year 2025-26 at a remuneration as may be mutually agreed between the Board of Directors and the Secretarial Auditor. Sri K. DURAISAMI, Company Secretary in Practice, Coimbatore, has consented to his appointment as Secretarial Auditor of the Company vide his letter dated 29-07-2025. The Board of Directors propose to pay a fee per annum as determined by the Board for each of the financial years during his tenure as Secretarial Auditor, exclusive of taxes and other out of pocket expenses incurred in connection with the audit.

The terms of appointment of the Secretarial Auditors will be specified by the Board of Directors of the Company. The Board of Directors of the Company have considered the following credentials of the Company Secretary while considering the appointment.

Sri K. DURAISAMI, the Company Secretary is native of Coimbatore, Tamil Nadu and was in employment for over two decades, in a leading listed public company, viz., Lakshmi Machine Works Limited, based in Coimbatore. Prior to that he was Company Secretary with another listed public Company for over two years. He has been in practice after retirement from employment since April 2017.

He is supported by a qualified Company Secretary, his son, and other staff at his office on Cowley Brown Road, R S Puram, Coimbatore. He has accrued rich working knowledge in the field of Corporate and allied laws. He has a range of Corporate clients availing his professional services. He holds Peer Review Certificate No.1862/2022.

**Interest of Directors**

None of the Directors and Key Managerial Personnel or their relatives are concerned or interested in the resolution.

**STATEMENT OF DISCLOSURES PURSUANT TO SCHEDULE V TO THE COMPANIES ACT, 2013 IN RELATION TO ITEM NO 3 OF THE NOTICE**

I (1) Nature of Industry	Engineering and Textiles
(2) Date or expected date of commencement of commercial production	Year : 1974
(3) In case of new companies , expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Existing Company since 1974.

(4) Financial Performance based on given indicators	Furnished below.
(5) Foreign investment or collaboration, if any	No foreign collaboration
<b>II Information about the appointee</b>	
(1) Background details	Name: Sri J. Anand Date of Birth / Age: 23/09/1971 – 54 years Qualification: B.E, M.S. in Industrial Engg (USA) Industrialist Experience: Around 30 years of experience in management / administration of textiles and textile machinery manufacturing companies.
(2) Past remuneration	Furnished below.
(3) Recognition or awards	He has been a member of associations / councils like Textile Machinery Manufacturers Association and ITME Society. The company was selected for R & D award by Textile Machinery Manufacturers Association (India) in 2014-15 and secured an award for export performance from TEXPROCIL during his previous term.
(4) Job profile and his suitability	Sri J. Anand has rich experience of around 30 years – overall control of the management of the company. Involved in Corporate Planning and Business Strategy decisions.
(5) Remuneration proposed	As given in the resolution.
(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.	The proposed remuneration is as prevalent in the similar industry.
(7) Pecuniary relationship directly or indirectly with the company or relationship with managerial personnel, if any.	A company in which he is a Director and a firm in which he is a partner have business transactions with the company.  Related to the non-executive Chairman
<b>III Other Information:</b>	
(1) Reasons for loss or inadequate profits	The loss / inadequacy of profit is mainly due to fall in demand consequent to general recession in the textile industry.
(2) Steps taken or proposed to be taken for improvement	Measures have been taken for cost reduction and technology improvement which will help the products to remain competitive in the market.
(3) Expected increase in productivity and profits in measurable terms	The inadequacy of profit is mainly due to fall in demand / sales due to general recession in the textile industry. When the markets revive the productivity / production will increase accordingly.



IV Disclosures: Under the heading Corporate Governance	
(i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc of all the directors;	Provided in Corporate Governance Report.
(ii) Details of fixed component and performance linked incentives along with the performance criteria;	No performance linked incentive.
(iii) Service contract, notice period, severance fees;	No severance fees. Appointment of managerial personnel for a term of three years.
(iv) Stock option details , if any, and whether the same has been issued as a discount as well as the period over which accrued and over which exercisable;	Nil

Past Remuneration: (Value Rs.)

Particulars	2020-21	2021-22	2022-23	2023-24	2024-25
Salary	24,87,354	2793273	2994922	3002591	1809373
Perquisites	2,75,500	2,11,055	226463	227043	136189
Commission	Nil	Nil	Nil	Nil	Nil

**Financial Performance (consolidated) based on given indicators:** Value: Rs. Lakhs

Financial Performance / Year	2020-21	2021-22	2022-23	2023-24	2024-25
Turnover – Total Income	5131.73	7581.96	6397.19	8709.10	7964.93
Profit / Loss as per P&L before tax	(298.31)	83.56	(1404.30)	(478.83)	(330.30)
Profit / Loss as per P&L after tax	(294.90)	99.27	(1404.04)	(455.54)	(331.48)
Dividend paid	–	–	–	–	–
Rate of dividend (in %)	–	–	–	–	–
Dividend paid including dividend tax	–	–	–	–	–

**ANNEXURE TO NOTICE OF AGM**  
**PROFILE OF DIRECTOR SEEKING REAPPOINTMENT**  
(Pursuant to Reg. 36 of the SEBI (LODR) Regulations, 2015)

**Sri J. Anand**

Name	Sri J. Anand
Director Identification Number	00137425
Date of Birth and Nationality	23/09/1971 Indian
Inter-se relationship with other directors	Related to Sri V.J. Jayaraman, Chairman and Smt Arthi Anand, Director.
Qualification	B.E., M S (USA)



Expertise in area	Over 30 years of experience in management and administration of textiles and textile machinery manufacturing companies.
Number of shares held in the Company	1265678 shares – 24.955%
Board position held	Managing Director
Terms and conditions of appointment/ Reappointment	Reappointment on same terms.
Number of board meetings attended during the year	Information furnished in Corporate Governance Report.
Directorships held in other companies	Director in Veejay Sales and Services Limited. Krishna Mills Private Limited S V Developers (Coimbatore) Private Limited Srivalli Properties Private Limited Veejay Holdings Private Limited
Chairman / Membership in other committees of the Board	NIL

### PROFILE OF DIRECTOR SEEKING REAPPOINTMENT

*(Pursuant to Reg. 36 of the SEBI (LODR) Regulations, 2015)*

#### Sri V.J. Jayaraman

Name	Sri V.J. Jayaraman
Director Identification Number	00137340
Date of Birth and Nationality	03/02/1942 Indian
Inter-se relationship with other directors	Related to Sri J. Anand, the Managing Director and Smt Arthi Anand, non-executive Director.
Qualification	B.Sc., B.S.,PG (USA) Textile Engineering and Engineering administration)
Expertise in area	He is the promoter Director of the Company. He has held senior most positions in a few other prominent textile engineering enterprises in addition to leading this Company for over 50 years. He has been instrumental in floating new companies and nurturing them as successful ventures.
Number of shares held in the Company	1235753
Board position held	Director- Chairman-Non-executive
Terms and conditions of appointment / Reappointment	Reappointment on retirement by rotation.
Number of board meetings attended during the year	Information furnished in Corporate Governance Report.
Directorships held in other companies	Director in Veejay Sales and Services Limited
Chairman / Membership in other committees of the Board	Nil

**DIRECTORS' REPORT TO SHARE HOLDERS**

Dear Shareholders,

Your Directors present the Fiftieth Annual Report and the Company's audited financial statements for year ended 31<sup>st</sup> March 2025.

**1. STATE OF COMPANY'S AFFAIRS, DIVIDEND AND RESERVE****i. Financial performance / appropriations / transfer to reserves**

The Company's financial performance for the year ended March 31, 2025 is summarized below.

(₹ In Lakhs)

Particulars	Year ended 31.03.2025	Year ended 31.03.2024
Sales Turnover	7964.93	8709.10
Profit/ (Loss) before Depreciation and taxes	(80.86)	(235.11)
Depreciation	249.44	243.72
Profit / (Loss) before taxes	(330.30)	(478.83)
APPROPRIATIONS/ADJUSTMENTS		
Provision for Taxes - Current Tax of prior period	—	—
- Deferred Tax	1.18	(23.29)
Profit after tax - Transferred to retained earnings	(331.48)	(455.54)

The sales turnover for the year is Rs.7964.93 lakhs as against Rs. 8709.10 lakhs in the previous year. There is fall in turnover in both engineering and textile divisions due to reduced demand for the products of the company. However, the loss has come down. The loss during the year is Rs. 331.48 lakhs as against the loss of Rs.455.54 lakhs in the previous year. The entire loss has been transferred to retained earnings. No dividend has been considered due to loss.

**ii. Operations:**

The performance of the engineering division has been sluggish like previous year, affected by reduced inflow of orders and low capacity utilization. Engineering division has, however, made some profit due to better prices realized in local market and exports. Textile Division's capacity utilization was marginally higher than last year, but the sales turnover is less due to reduced prices for yarn. No profits could be made as the margins were not adequate to cover the costs. More details are provided in the Management Discussion and Analysis Report. The total capital expenditure incurred during the year is Rs.56.77 lakhs.

**INDUSTRIAL RELATIONS:**

The relationship with the workmen has been cordial in all the units of the Company.

**R&D**

The existing products of the company are under continuous development to improve productivity, savings in power and reduce cost of production.

**BORROWINGS:****Secured**

The Company has term loans availed from the Banks for capital expenditure and the loans provided during the covid crisis for working capital. The total secured term loans outstanding as at 31/03/2025 is Rs.295.38 Lakhs.



For working capital, the Company has a fund based limit of Rs.1500 lakhs with sublimits for non fund based requirements. The total outstanding of working capital limits as at 31/03/2025 is Rs.922.77 lakhs. The Company has serviced the interest / repayment obligations of all the above loans, in time, without any delay.

#### ***UnSecured Loans from Directors/Promoters***

The Company also has unsecured loans from Directors/Promoters. The total outstanding loan amount as at 31/03/2025 is Rs.1730.69 lakhs. The interest rate is 7.5% pa. Considering the losses for the year, the promoters have waived the interest on this loan upto 31.03.2028. As per the terms stipulated by State Bank of India, the unsecured loans cannot be repaid without their approval and the rate of interest should not exceed the rate charged by the Bank for the credit facilities given to the Company.

The losses during the current year and in previous year have affected the liquidity position of the Company and reduction in net working capital. State Bank of India has also stipulated a condition that promoters have to infuse additional funds to improve the liquidity / current ratio / net working capital.

## **2. ANNUAL RETURN**

The copy of the Annual return is disclosed in the Company's website: [www.veejaylakshmi.com](http://www.veejaylakshmi.com)

## **3. NUMBER OF MEETINGS OF THE BOARD**

Four meetings of the Board of Directors were held during the year. Further details in this respect and details of meetings of the committees are provided under the report on Corporate Governance.

## **4. DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors hereby state that

- in preparation of annual accounts for the financial year ended March 31, 2025, the applicable Accounting standards have been followed along with proper explanation. There has been no material departures.
- the Directors have 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 and loss of the Company for the year ended 31<sup>st</sup> March 2025.
- the Directors have taken proper and sufficient care for the 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 fraud and other irregularities.
- the Directors have prepared the annual accounts for the financial year ending March 31, 2025 on a going concern basis.
- the Directors had laid down internal financial controls to be followed by the Company and that such Internal controls are adequate and are operating effectively.
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable Laws and that such systems are adequate and operating effectively.

## **5. NOMINATION AND REMUNERATION COMMITTEE AND POLICY**

The appointment of Directors and fixation of their remuneration is as per the guidelines laid down in the Nomination and Remuneration Policy of the Company formulated in compliance with section 178 of the Companies Act, 2013 and rules in this respect under the Act. The policy lays down the role of the Nomination and Remuneration Committee, the criteria for appointment of managerial personnel and independent directors and other matters as provided under sub-section (3) of Section 178 of the Act. The Nomination and Remuneration Policy is available on the Company website: [www.veejaylakshmi.com](http://www.veejaylakshmi.com)

**6. DECLARATION BY INDEPENDENT DIRECTORS**

The independent directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as independent directors under the provisions of the above act and the relevant rules.

**7. AUDITORS AND AUDITORS' REPORT****Statutory Auditors**

M/s. N R D Associates., Chartered Accountants, statutory auditors of the Company, hold Office till the conclusion of the Annual General Meeting to be held in 2027. The Statutory Auditors' Report does not contain any qualification, reservation or adverse remark. There is no instance of fraud reported by the statutory auditors of the company.

**Secretarial Auditor**

The Board has appointed Mr K. Duraisami, Practicing Company Secretary to conduct Secretarial Audit for the Financial Year 2024-25. The Secretarial Audit report does not have any adverse observation.

**8. PARTICULARS OF LOANS/GUARANTEES/ INVESTMENTS/DEPOSITS**

The Company has not provided any Inter-Corporate Loans/ Guarantees. Details of other loans/advances and Investments of the Company in the shares of other Companies are provided under note 5 and 8(e) of notes to Balance Sheet appearing elsewhere in this Annual Report. The amount of investment made by the Company does not exceed the limits as specified in Section 186 of the Companies Act, 2013.

The Company has not accepted any deposits from public during the year and there are no deposits from the public as at 31.3.2025. The Company has unsecured loans from Promoters/Directors.

**9. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and were on arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material. Your Directors draw attention of the members to note No.31 to the financial statement which sets out related party disclosures.

**10. MATERIAL CHANGES AND COMMITMENTS AFTER 31/03/2025**

No significant changes in the working of the Company from 31/03/2025 till the date of the report.

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

The particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in Annexure-3 to this report.

**12. RISK MANAGEMENT**

The Company follows a comprehensive and integrated risk appraisal, mitigation and management process. The identified elements of Risk and Risk Mitigation measures are periodically reviewed and revised by the Board of Directors. The Company's Risk Management Policy, approved by the Board is posted on the website of the Company. The Listing regulations in this respect (Reg.21(5)) is not applicable to the Company.

**13. EVALUATION OF BOARD PERFORMANCE**

The Nomination and Remuneration Committee of the Company has formulated the criteria for evaluation of the performance of each director, Board of Directors, Committees of the Board and Independent Directors. Based on this and the guidelines in this regard issued by SEBI the performance evaluation has been undertaken. A separate meeting of independent directors has been convened for this purpose during the year.

**14. ADDITIONAL INFORMATION AS PER RULE 8(5) OF COMPANIES (ACCOUNTS) RULES, 2014**

Sl. No.	Particulars	Related disclosures
i	The financial summary or highlights	The financial highlights including State of Affairs of the Company, Dividend and Reserve have been provided elsewhere in this report
ii	The change in the nature of business	The business of the Company is manufacture of cotton yarn, knitted fabric, Two for One Twisting Machines and Assembly Winders. There was no change in the business of the Company.
iii.	The details of Directors or Key Managerial Personnel who were appointed or have resigned during the year	Three new Independent Directors have been co-opted effective from 25.09.2024 on retirement of previous incumbents, who ceased to be directors of the Company with effect from 25-09-2024. The Board of Directors are of the opinion that their integrity, expertise and experience is satisfactory.
iv.	The names of the Companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year	NIL
v.	The details relating to deposits, covered under Chapter V of the Act	The Company has not accepted any amount which falls under the purview of Chapter V of the Act.
vi.	The details of deposits which are not in compliance with the requirements of Chapter V of the Act.	NA
vii.	The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.	No significant or material orders were passed by the regulators or courts or tribunals which impact the going concern status of the Company.
viii.	The details in respect of adequacy of internal controls with reference to the Financial Statements	The Company has adequate internal financial controls in place with reference to financial statements. During the year such controls were reviewed and ensured that it had no material weakness.  The financial statements are prepared in accordance with the Indian Accounting Standards issued by the Ministry of Corporate Affairs
ix.	Maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013	The Company has duly made and maintained the Cost Records.



x.	Insolvency & Bankruptcy Code, 2016	No application is made, or any proceeding is pending under the Insolvency & Bankruptcy Code, 2016 during the year under review.
xi.	Details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.	Not applicable - there was no instance of one-time settlement with any Bank or Financial Institution.
xii.	A statement by the Company with respect to the compliance to the provisions relating to the maternity Benefit Act ,1961	Complied with.

## 15. DIRECTORS

Sri. V.J. Jayaraman, Director will retire by rotation at the ensuing Annual General meeting and being eligible he offers himself for reappointment.

## 16. AUDIT COMMITTEE AND VIGIL MECHANISM

The Audit Committee as at end of the year comprises Independent Directors Sri K. Narendra (Chairman), Sri T.S.V. Rajagopal, Sri R. Gurubatham, Smt. Sasirekha Vengatesh and whole time Director cum Chief Financial Officer Sri D.Ranganathan. All the recommendations made by the Audit Committee were accepted by the Board.

The Vigil Mechanism of the Company also incorporates whistle blower policy stipulated under the Listing Regulations. Execution of the responsibility in terms of the policy has been entrusted to the Audit Committee. Protected disclosures can be made by a whistle blower through an e-mail, or over telephone or by a letter to the Chairman of the Audit Committee.

The Policy on Vigil Mechanism and Whistle Blower may be accessed on the Company's website: [www.veejaylakshmi.com](http://www.veejaylakshmi.com)

## 17. PREVENTION OF SEXUAL HARASSMENT AT WORK PLACE

As per the provisions of Sexual Harassment of Women at Workplace (prevention, prohibition and redressal) Act, 2013, the Company has constituted a Complaints Committee within HR department. No complaints were received by the committee during the year 2024-25.

## 18. EQUITY CAPITAL / LISTING

The Company's equity shares continue to be listed at BSE limited and we confirm that listing fee for the financial year 2024-25 has been paid. There is no change in the paid-up share capital during the year.

## 19. PARTICULARS RELATING TO REMUNERATION OF DIRECTORS/EMPLOYEES

Disclosure under sub rule (2) of rule (5) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014:

- Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year ended March 31, 2025 and the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the Financial Year ended March 31, 2025:



Median remuneration of employees in the financial year 2024-25. : Rs. 143856/- pa.

- b. There has been about 6% increase in the median remuneration of the employees over that during the financial year 2023-24.
- c. Number of employees on the rolls of Company as on 31<sup>st</sup> March, 2025 : 454
- d. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:  
Average percentile increase in remuneration other than managerial personnel is 27.88% and average percentile increase / (decrease) in remuneration for managerial personnel is 1.97%.
- e. Affirmation that the remuneration is as per the remuneration policy of the Company:  
Your Directors affirm that the remuneration is as per the Nomination and Remuneration Policy of the Company.
- f. Details of top ten employees in terms of gross remuneration:  
Details given in Annexure 4.
- g. There are no employees who are paid remuneration in excess of Rs.102 lakhs per annum or Rs.8.5 lakhs per month

## 20. CORPORATE GOVERNANCE

The report on Corporate Governance as stipulated under the Listing Regulations forms an integral part of this report. The requisite certificate from the practicing Company Secretary confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

## 21. PARTICULARS OF CONTRACTS AND ARRANGEMENTS

The prescribed Form AOC-2 in this respect is attached as Annexure 2.

## 22. CORPORATE SOCIAL RESPONSIBILITY

Not applicable to the Company under the relevant provisions of the Companies Act, 2013.

## 23. ASSOCIATE COMPANY

The Company holds 26.2% shares in M/s Veejay Sales and Services Limited which falls under the category of Associate Company as per the provisions of the Companies Act. The main income of the company is from generation of power through wind mills and the details are furnished separately in this report under Annexure-I.

## 24. ACKNOWLEDGEMENT

The Board of Directors wishes to place on record their sincere appreciation to the customers, suppliers, business partners and group companies and shareholders for their support. The Directors would like to thank the Bankers as well. The Directors would take this opportunity to express their appreciation for the dedicated efforts of the employees and their contribution which is deeply acknowledged.

For and on behalf of the Board of Directors

Coimbatore  
May 29, 2025

(Sd/-) V.J. JAYARAMAN  
Chairman

**ANNEXURES TO DIRECTORS' REPORT****ANNEXURE 1****FORM AOC 1**

**Statement containing salient features of the financial statement of  
subsidiaries / associate Companies / joint ventures**

**PART A: SUBSIDIARIES**

The Company has no Subsidiary

**Statement pursuant to section 129(3) of the companies act, 2013  
related to associate companies and Joint Ventures**

<b>Name of associates / Joint Ventures</b>	<b>M/s. Veejay Sales and Services Limited</b>
1. Latest audited balance sheet date	31-03-2025
2. Date on which the Associate or Joint Venture was associated or acquired	05-12-2011
3. Shares of associates/Joint Ventures held by the Company on the year end	
No. of shares	13,100
Amount of investment in associates/ joint ventures (Rs.)	1,31,000
Extent of holding (in percentage)	26.2%
4. Description of how there is significant influence	Associate Company
5. Reason why the associate / joint venture is not consolidated	Consolidated
6. Net worth attributable to shareholding as per latest Audited Balance Sheet (Rs. in lakhs)	161.96
7. Profit / (Loss) for the year (Rs. In Lakhs)	8.32
i. Considered in consolidation	2.18
ii. Not considered in consolidation	6.14





## ANNEXURE 2

## Form AOC 2

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

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

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

All contracts and arrangements with outside parties are in the normal course of business and at arms length basis

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

a.	Name(s) of the related party and nature of relationship	Veejay Sales and Services Limited - Associate Company
b.	Nature of contracts/ arrangements/ transactions	Purchase of wind power in the ordinary course of business.
c.	Duration of the contracts / arrangements/ transactions	Wind power purchase valid up to 31-03-2025.
d.	Salient terms of the contracts or arrangements or transactions including the value, if any.	Purchase of wind power at prevailing market prices or less.
e.	Date(s) of approval by the Board, if any.	Approved on 29-05-2025 and specific transactions every quarter.
f.	Amount paid as advances, if any:	Nil



## ANNEXURE 3

DISCLOSURE OF PARTICULARS AS REQUIRED UNDER  
COMPANIES (ACCOUNTS) RULES 2014-RULE 8(3)

Sl. No.	Particulars	Related disclosures
<b>Conservation of Energy</b>		
1.	Steps taken or impact on conservation of energy	All the lamps in the work halls and outside are progressively replaced with energy efficient LED lamps. Additionally whatever possible energy conservation measures are implemented.
2.	Steps taken by the company for utilizing alternate sources of energy	The Company has its own wind mills installed for a total capacity of 4050 KW. Roof top solar power equipment have been installed for a capacity of 1MW
3	Capital investment on energy conservation equipments	Nil during the year
<b>Technology Absorption, Adaptation and Innovation</b>		
1.	Efforts made towards technology absorption	In house Research and Development process is a continuing one.
2.	Benefits derived like product improvement, cost reduction, product development or import substitution	Product development and cost reduction.
3	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) a) Details of technology imported b) The year of import c) Whether technology has been fully absorbed d) If not fully absorbed, areas where absorption has not taken place and reasons thereof	No imported technology used
4	The expenditure incurred on Research and Development	Rs. 78.22 lakhs

## Foreign Exchange Earnings and Outgo

₹ in lakhs

		2024-25	2023-24
1.	Foreign Exchange earned	3,377.37	3,194.34
2.	Foreign Exchange Outgo	66.32	93.11

**ANNEXURE 4****Particulars of Employees as per Rules 5(2) and 5(3) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014**

Name (Age (in years))	Designation	Remuneration Received 2024-25 (Rs. lakhs)	Qualification	Experience (Years)	Date of commencement of employment	Previous employment
Sri J. Anand (52 years)	Managing Director	21.28	B.E., M.S (USA)	30	12-06-1995	Management Trainee
Sri D. Ranganathan (73 years)	Wholetime Director	13.13	B. Com, MBA	50	01-03-1975	Phipson and Co. Ltd.
Sri P. Boopathi (56 years)	Vice President (Spinning)	9.99	M.Tech.	36	11-08-2006	GTN Group of Companies
Sri K. Kannadasan (72 years)	Vice President (Sales)	8.35	B.Tech.	48	01-02-2007	New Star Tex Engg. Co.
Sri R. Sargunam (71 years)	Vice President (HR)	7.40	B.A., PGDPM PG Dip. Law	50	03-09-1992	Lakshmi Machine Works Ltd.
Sri R. Vivekanandan (40 years)	Manager - Sales	7.03	M.B.A	20	03-05-2004	Veejay Lakshmi Textiles Ltd.
Sri V.K. Swaminathan (76 years)	Company Secretary	6.36	B.Sc., AICWA, FCS	56	01-05-2015	Veejay Lakshmi Textiles Ltd.
Sri V. Vijayakumar (51 years)	Manager-Design	6.35	D M E	31	03-09-2012	Savio India Ltd.
Sri A.S. Senthilkumar (54 Years)	Manager – Machine Shop	6.07	D M E	34	02-01-1991	Sieger Spintech Equipment Pvt. Ltd
Sri T. Maheswaran (56 years)	Manager – Service	5.87	D T T	36	01-03-1989	Sieger Spintech Equip. Co. Ltd.

**Note:**

1. All the above are permanent employees and the remuneration includes Company's contribution to Employees Provident Fund, bonus and leave encashment, where applicable.
2. No employee except Sri J. Anand is holding by self or by their family, shares of 2% or more in the Company or is drawing remuneration in excess of the Managing Director.
3. Sri J. Anand is related to Sri V.J. Jayaraman, Chairman and Smt. Arthi Anand, Directors of the Company.



## FORM No. MR-3

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2025**

[Pursuant to section 204(1) of the Companies Act, 2013, Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing obligation and disclosure Requirements) Regulations, 2015.]

To,

**The Members**

**Veejay Lakshmi Engineering works Limited**  
**Sengalipalayam, NGGO colony Post**  
**Coimbatore - 641 022**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by VEEJAY LAKSHMI ENGINEERING WORKS LIMITED [CIN: L29191TZ1974PLC000705] hereinafter referred to as the Company. The 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 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 31<sup>st</sup> March, 2025 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 31<sup>st</sup> March, 2025 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. The Company has not dealt with the matters relating to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings under FEMA during the year under review and hence, the question of complying with the provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made there under does not arise;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (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, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits Scheme) Regulations, 2014;



- (e) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 requiring compliance thereof by the Company during the audit period; and
  - (i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- vi. The Management has identified and confirmed the following Laws as being specifically applicable to the Company:
1. Factories Act, 1948;
  2. Labour laws and other incidental laws related to labour and employees appointed by the Company including those on contractual basis as relating to wages, gratuity, prevention of sexual harassment, dispute resolution, welfare, provident fund, insurance, compensation etc.;
  3. Industries (Development & Regulation) Act, 1951;
  4. Acts relating to consumer protection including the Competition Act, 2002;
  5. Acts and Rules prescribed under prevention and control of pollution;
  6. Acts and Rules relating to Environmental protection and energy conservation;
  7. Acts and Rules relating to electricity, fire, motor vehicles, boilers etc.;
  8. Land revenue laws;
  9. Law relating to electricity generation and distribution and
  10. Other local laws as applicable to various Units (factories) and offices;

I have relied on the representation made by the Company and its officers, relating to systems and mechanisms framed by the Company, for ensuring compliance with the other Laws and Regulations as applicable to the Company.

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

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Uniform Listing Agreement entered into with National Stock Exchange of India Limited pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards and Circulars there under mentioned above.

I further report that during the period under audit, there were no events / actions have taken place in pursuance of:

- i. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- ii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- iii. The Securities and Exchange Board of India (Share Based Employee Benefits Scheme) Regulations, 2014;
- iv. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- v. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, requiring compliance thereof by the Company during the audit period.



**I further report that,** the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by the statutory financial auditors, tax auditors and other designated professionals.

**I further report that,** the Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors, Woman Independent Director and Independent Directors.

**I further report that** the Company has in place a secured in house Structured Digital Data Base for capturing the UPSI, transactions in securities by all the parties as contemplated under the SEBI ( prohibition of insider trading ) Regulations, 2015 as amended and the circulars issued by SEBI and Stock Exchanges.

Adequate notice is given to all Directors before the schedule of the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and 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. Notes on agenda were circulated within the specified period. The necessary compliances under the Companies Act, 2013 and Secretarial Standards on Board Meetings are complied with.

During the year under review, Directors have participated in the Committees / Board meetings through video conferencing, such meetings were properly convened and recorded in compliance with the provisions of Section 173 (2) of the Act read with Rule 3 & 4 of Companies (Meetings of Board and its Powers) Rules, 2014.

Based on the verification of the records and minutes, the decisions were carried out with the consent of the Board of Directors / Committee Members and no Director / Member dissented on the decisions taken at such Board / Committee Meetings. Further, in the minutes of the General Meetings the number of votes cast against the resolutions has also been recorded.

**I further report that,** based on the review of compliance mechanism established by the Company, I am of the opinion that the management has adequate systems and processes commensurate with its size and volume of operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

**I further report that** as per the information and explanations provided by the Management, the Company do not have any Material Unlisted Subsidiary Incorporated in India as defined in Regulation 16(1)(c) and Regulation 24A of the Listing Regulations as amended upto date.

**I further report that,** there were no specific events / actions, having major bearing on the Company's affairs in pursuance of above referred laws, rules, regulations, guidelines and standards have taken place.

This report is to be read with our letter of even date, annexed hereto and forms an integral part of this report.

Place : Coimbatore  
Date : 29.05.2025

(Sd.) CS K. DURAISAMI  
Company Secretary in Practice  
M No: FCS 6792; CP: 18308  
UDIN: F006792G000435682  
Peer review Cert No: 1862/2022

**ANNEXURE**

To

**The Members,  
The Members of Veejay Lakshmi Engineering works Limited.  
Sengalipalayam, NGGO colony Post,  
Coimbatore - 641 022**

**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 as per the Auditing Standards (CSAS-1 to CSAS-4) and Guidance Notes on ICSI Auditing Standards and Guidance Note on Secretarial Audit issued by The Institute of Company Secretaries of India. The verification was done to ensure that correct facts are reflected in secretarial records
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, 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 and standards is the responsibility of management. My examination was limited to the verification of procedures on random 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 : Coimbatore  
Date : 29.05.2025

(Sd.) CS K. DURAISAMI  
Company Secretary in Practice  
M No: FCS 6792; CP: 18308  
UDIN: F006792G000435682  
Peer review Cert No: 1862/2022

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule-V, Para C, Clause (10)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members of Veejay Lakshmi Engineering works Limited.  
Sengalipalayam,  
NGGO Colony Post  
Coimbatore - 641 022

I have examined the relevant registers, records, forms, returns, disclosures received from the Directors of Veejay Lakshmi Engineering Works Limited having CIN :L29191TZ1974PLC000705 and having its Registered Office at Sengalipalayam, NGGO Colony Post, Coimbatore-641022, (herein after referred to as "the Company"), produced to me by the Company for the purpose of issuing this certificate in accordance with Regulation 34(3) read with Schedule V, Para-C, Sub Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of information and according to the verification (including Directors Identification (DIN) status at the website: WWW.MCA.GOV.IN) as considered necessary and explanations furnished to me by the Company and its Officers, I hereby certify that none of the Directors of the Company as stated below have been debarred or disqualified from being appointed or continuing as Director of companies for the Financial Year ended 31<sup>st</sup> March, 2025 by the SEBI, Ministry of Corporate Affairs, Reserve Bank of India and any other Statutory Authority (ies)

Sl. No	Name of the Director	Designation	DIN	Date of appointment
1	Mr.V.J Jayaraman	Chairman	00137340	26.08.1974
2	Mr.J Anand	Managing Director	00137425	12.06.1995
3	Mrs.Arthi Anand	Non Independent Director	07151584	30.03.2015
4	Mr.D. Ranganathan	Wholetime Director	00137566	24.06.2005
5	Mr.K.Narendra	Independent Director	00412219	25.12.2015
6	Mr.TSV Rajagopal	Independent Director	07148250	25.09.2024
7	MR.R.Gurubatham	Independent Director	10746471	25.09.2024
8	Mrs.V.Sasirekha	Independent Director	07745957	25.09.2024

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

Place : Coimbatore  
Date : 29.05.2025

(Sd.) CS K. DURAISAMI  
Company Secretary in Practice  
M No: FCS 6792; CP: 18308  
UDIN: F006792G000435605  
Peer review Cert No: 1862/2022



## MANAGEMENT DISCUSSION AND ANALYSIS

As required under Reg.34(2)(e) read with Schedule V-B(1) of SEBI (LODR) Regulations,2015, a detailed report on the Management Discussion and Analysis is given below.

### Industry Structure and Developments

The Company has been manufacturing post spinning machines and subsequently diversified into textile spinning from 1993. Both the twisting machines produced and the yarn and fabrics produced fall into the same category and the fortunes in the textile units impact the engineering unit's prospects also.

Indian textile industry is one of the largest industries at the global level with a large manufacturing base with a strong presence across the entire value chain. The growth of India's textile industry is restricted in view of fluctuation in the raw material prices which remain higher than international prices. The industry expects the government to come to its aid by withdrawing import duty on cotton. The Textile and Apparel Sector is the second largest employment generator next to agriculture providing direct and indirect employment. The Governments both at the State and Central levels have been supporting the growth of the industry through various fiscal incentives.

### Textile Division

The textile division has a spinning mill producing 100% cotton yarn of coarse counts with facilities for twisting and knitting to sell the yarn with value addition. The performance of this division has not been up to satisfactory level in the year under review. The demand for the yarn in the domestic market from garment manufacturers continues to be sluggish. Steady deliveries in export of yarn, to some extent, had compensated fluctuating domestic demand. But the margins were lower not fully covering the production cost and overheads. Although cotton prices have been stable during the year yarn prices did not pick up in view of lower domestic demand. The working result had not improved significantly over the previous year. The cost of cotton in the year under review was stable compared to previous year. Constraints in achieving higher productivity is also a reason for poor performance.

The Company's captive-generated power from wind mills and rooftop Solar equipment supplements its energy needs. The capacity utilization of the Textile division had improved by around 10% over the previous year. The higher utilization in the year under review however did not enable expected result due to low margins/price realization.

The products of Engineering Division are capital goods used in textile industry and the performance of this division depends upon the general performance of the textile industry. Two for one Twister has been the main product of the engineering division contributing to the sales and profits. Assembly winders are sold in small volumes. Two for One Twister is used in post spinning process for value addition and the demand for this product is derived from the demand for twisted yarn. The reduced demand for domestic consumption or export of twisted yarn affects the demand for this machine. The market is segmented and a considerable portion of the demand of twisting machines from independent job workers of twisted yarn is catered by manufacturers from western India who offer very low prices

The continuing recessionary conditions in the market had an impact on the order inflow for the engineering division during the year under review. Despite the incentives provided by few State Govts and also the PLI scheme of Govt., there has not been any noteworthy improvement in the capital expenditure in the spinning sector. There has been a significant fall in the total production of spinning machinery in the country and the Company's production volume of textile machinery has also come down. The Company could sell only 35 nos of twisting machines during 2024-25 compared to 63 machines sold in the previous year.



The company is also facing stiff competition from other manufacturers who offer low prices. The Company has taken steps to develop a machine of new design with the main focus on bringing down the cost of production. There has been, however, an increase in the sale of spare parts from Rs. 357 lakhs in 2023-24 to Rs.698 lakhs in 2024-25

### Opportunities and Threats

Textile Industry caters to the basic needs and is a growing industry with a wide spectrum of activities from fibre to Apparels. Govts both at the Central and State Level are giving all support for the growth of the industry. There is good scope for increasing the export of textile products.

The major threat for the cotton spinning industry is the fluctuation in prices and availability of good quality cotton. Cotton has to be purchased from other states and hence there is a locational disadvantage compared to other spinning mills in cotton growing states. Unsustainable cotton and yarn prices also is a threat and result in less margin or no margin.

Engineering unit is facing stiff competition from competitors from India and China. The Competitors offer low prices.

### Segmentwise Sales / Profit

(In ₹ lakhs)

	31.03.2025		31.3.2024	
	Engineering	Textile	Engineering	Textile
Revenue (including inter-segment)	1692.27	6276.04	2151.89	6566.76
Segment Profit (before interest)	22.51	(344.77)	(103.19)	(416.07)

Higher price realization in the sale of machines in domestic/export markets and increase in the sales volume of spares has contributed to a small amount of profit in engineering division compared to loss in the previous year.

Although capacity utilization/production volume of yarn in textile division increased marginally over the previous year, the reduction in sales revenue is due to lower market price that prevailed for yarn. There was also some reduction in cotton prices compared to previous year and this has reduced the loss in textile division.

### Outlook

The operating margins can improve only if the domestic demand for yarn increases with higher price realization. The capacity utilization and productivity also have to improved to above 95% level as the margins are thin in coarse counts and profits can be realized only with higher volumes. The Industry's prospects are cyclical and it is forecast that the demand outlook remains strong for the Indian Textile sector considering likely tariff hikes by USA on China, rising costs in east Asian countries and prevailing instability In Bangladesh.

The Company's market share for twisting machines have been declining due to acute competition from manufacturers from India and China. The market share can be improved/sustained only when the Company is able to offer machines at competitive prices. As it is not feasible to offer the machines of current design at lower prices, the Company is taking steps to develop new models to offer the machines at competitive prices. The Company is hopeful that the long reputation in the market as producers of twisting machines of reliable quality will assist the Company to strengthen its position in the market and improve sales volumes/profits.



### Risks and Concerns

Although the Company is keeping the machinery in engineering and textile divisions in good condition, most of the machines are getting due for modernization / replacements involving substantial capital expenditure.

- Vagaries in the prices of cotton and yarn which affects profitability.
- Tariff regulations and preferential treatments by importing countries affecting the demand for the products in export market.
- Competition from other manufacturers of twisting machines.
- Reliance on Migrant workers.
- Strain on liquidity due to losses and increase in borrowing cost due to infusion of additional funds by way of loans.

### Internal Control System and Adequacy

The Company has a proper and adequate system of internal controls commensurate with its size and nature of business.

All the assets are safeguarded, properly utilized and protected against loss from unauthorized use or disposition and the transactions are regulated, recorded and reported correctly. A Chartered Accountant carries out the audit at regular intervals to monitor the effectiveness of the internal checks and controls in different areas and reports/suggests measures for improvement.

### Financial Performance with Respect to Operational Performance

The workings during the year has resulted in loss, which has eroded the working capital and has affected the liquidity position of the Company. However, the Promoters have provided loans to improve the liquidity. The Company has been able to meet all its liabilities including loan servicing and interest obligations, in time, without any delay.

### Key Financial Ratios for Operations during the Year:

(Given in Note 33 of Financial Statements)

### Material Developments in Human Resources and Industrial Relations

The Company has a dedicated team of professionally qualified/experienced personnel in all functional areas. Opportunities are provided for self-development and career growth wherever necessary. Employees undergo training programs conducted in house and also outside by other professional bodies. The industrial relationship has been cordial throughout the year. The Company has a total of 454 employees at the end of the year.

### CAUTIONARY STATEMENT

*Statements in this report on management discussion and analysis describing the Company's future objectives, projections, estimate and expectations may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events, as they are perceived by the management at this juncture. The actual results, however, may differ materially from those which have been made explicit or which are implied. The major factors that could make a difference to the Company's operations include the supply demand condition of the Company's products, both domestic and global, the price realizations, which are market related, and all other factors such as litigation and industrial relations.*



## CERTIFICATE OF CORPORATE GOVERNANCE

To

**The Members of Veejay Lakshmi Engineering Works Limited,  
Coimbatore**

I have examined the compliance of conditions of Corporate Governance by VEEJAY LAKSHMI ENGINEERING WORKS LIMITED CIN : L29191TZ1974PLC000705 (here in after referred to as “the Company” ) for the year ended on 31<sup>st</sup> March, 2025 as per Regulation 15(2) read with Schedule-V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “the LODR”).

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

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the Directors and Management, I certify that the Company had complied with the conditions of Corporate Governance as per relevant provisions of LODR for the period from 01<sup>st</sup> April, 2024 to 31<sup>st</sup> March, 2025.

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

Place : Coimbatore  
Date : 29.05.2025

(Sd.) CS K. DURAISAMI  
Company Secretary in Practice  
M No: FCS 6792; CP: 18308  
UDIN: F006792G000435231  
Peer review Cert No: 1862/2022

## CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company's policy on Corporate Governance stresses the importance of transparency, accountability and protection of shareholder interests without compromising ethical standards and corporate social responsibilities. Best corporate governance practices are identified, adopted and consistently followed.

### BOARD OF DIRECTORS:

The Board of Directors of the Company has an optimum combination of executive and non-executive directors and is in conformity with Reg. 17(1) of Listing Regulations. The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the financial year 2024-25 and at the last Annual General Meeting (AGM), as also the number of directorships and committee positions held by them in other companies as on March 31, 2025 are as under:

Name of the Director	Category	No. of Board Meetings		Attendance at the last AGM held on 13.09.2024	No. of Directorships in other companies*	Committee position	
		Held	Attended			Member	Chairman
Sri.V.J.Jayaraman	Non-Executive (Promoter) Chairman	4	3	YES	1	–	–
Sri.J.Anand	Executive (Promoter)	4	4	YES	5	–	–
Smt Arthi Anand	Non Executive Non-independent	4	4	YES	Nil	–	–
Sri.D.Ranganathan	Executive Non - Independent	4	2	YES	1	3	–
Sri K. Narendra	Non-Executive Independent	4	3	YES	Nil	3	3
Sri N.M. Ananthapadmanabhan	Non-Executive Independent	2	2	YES	NIL	3	3
Sri N. Athimoolam Naidu	Non-Executive Independent	2	1	–	1	1	–
Sri B. Sriram	Non-Executive Independent	2	2	YES	1	3	–
Sri R. Gurubatham	Non-Executive Independent	2	2	–	–	3	–
Sri T.S.V. Rajagopal	Non-executive Independent	2	2	–	2	3	–
Smt Sasirekha Vengatesh	Non-Executive Independent	2	1	–	–	2	–

\* Includes private limited companies

**Note:**

Messrs N.M. Ananthapadmanabhan, N. Athimoolam Naidu and B. Sriram retired as Independent Directors from 25-09-2024 on expiry of their tenure and Messrs R. Gurubatham, T S V Rajagopal and Sasirekha Vengatesh assumed office as Independent Directors effective from 25-09-2024.

None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees (as per Reg.26(1) of the Listing Regulations) across all the companies in which he is a Director. All the Directors have made the requisite disclosures regarding Committee positions held by them in other public limited companies.

The Board met four times during the financial year 2024-25 viz., on 29.05.2024, 08.08.2024, 11.11.2024 and 13.02.2025. The gap between any two consecutive Board Meetings did not exceed 120 days.

In terms of Sch.V(C)(2)(e) of the Listing Regulations, it is hereby disclosed that Sri V.J. Jayaraman, Chairman, Sri J Anand, Managing Director and Smt Arthi Anand, Director are related inter-se.

**Number of shares and convertible debentures held by non-executive Directors as at 31-03-2025:**

Sri V.J. Jayaraman (All status) : Number of Equity shares : 1235753

**FAMILIARISATION PROGRAMME IMPARTED TO DIRECTORS**

The key managerial personnel of the Company periodically interact with the independent Directors to make them familiar with their roles, rights and responsibilities, about the nature of the industry in which the Company operates and business model of the Company. All the non-executive directors have rich administrative experience and are technically familiar with textiles and textile machinery industry. The details of the program is in the website of the Company [www.veejaylakshmi.com](http://www.veejaylakshmi.com).

**CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT**

The Company has a Code of Conduct for the Directors and senior management personnel, which is in compliance with the requirements of Reg.17(5) of the Listing Regulations. The Code of conduct has also been displayed on the Company's website. The independent directors have given declarations at the first meeting of the Board every year that they meet the criteria of independence as provided in the Act. Further, all the Board members and senior management personnel have affirmed compliance with the Code of conduct. A declaration to this effect signed by the CEO forms part of this Report.

**SKILLS / EXPERTISE / COMPETENCE OF THE BOARD OF DIRECTORS**

It has been assessed that the following core skills, expertise and competencies are required in the context of businesses of the Company for it to function effectively.

Identified	Actually Available
Leadership: Leadership/Directorship experience resulting in effective participation in or spearheading various initiatives taken by the Company	Yes
Educational qualification: Bachelor degree or other Qualification relevant to the business of the Company.	Yes
Knowledge and expertise: Knowledge and experience in administration / finance / technology or in any area of importance relevant to the business of the Company	Yes
Integrity and confidentiality	Yes
Active participation in Board and Committee meetings	Yes
Independence of behavior, judgment and commitment	Yes

Board Qualifications (of Directors on Board as at 31-03-2025)					
Name of Director	Leadership	Educational Qualification	Knowledge & expertise	Integrity & confidentiality	Active participation in meetings
Sri V.J. Jayaraman	Yes	Yes	Yes	Yes	Yes
Sri J. Anand	Yes	Yes	Yes	Yes	Yes
Sri D.Ranganathan	Yes	Yes	Yes	Yes	Yes
Smt Arthi Anand	Yes	Yes	Yes	Yes	Yes
Sri K. Narendra	Yes	Yes	Yes	Yes	Yes
Sri R. Gurubatham	Yes	Yes	Yes	Yes	Yes
Sri T.S.V. Rajagopal	Yes	Yes	Yes	Yes	Yes
Smt Sasirekha Vengatesh	Yes	Yes	Yes	Yes	Yes

### SEPARATE MEETING OF INDEPENDENT DIRECTORS

The Company's Independent Directors met on March 26, 2025 without the presence of other Directors.

### CONFIRMATION ON THE FULFILMENT OF THE CONDITIONS OF INDEPENDENCE:

Based on the declarations received from the Independent Directors, the Board of Directors are of the opinion that the Independent Directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 and are independent of the management.

### RESIGNATION OF INDEPENDENT DIRECTOR(S) BEFORE EXPIRY OF TENURE : Nil

### COMMITTEES OF THE BOARD:

#### Audit committee:

The Audit committee has been formed pursuant to Reg.18 of the Listing Regulations and Section 177 of the Companies Act, 2013.

#### Composition:

The Audit Committee of the Board that was formed in January 2001 has been reconstituted in 2024. The Members of the Committee comprise of the following Directors as at March 31, 2025.

- Sri. K. Narendra, Chairman (Independent)
- Sri. R. Gurubatham, Member (Independent)
- Sri. T.S.V.Rajagopal, Member (Independent)
- Smt Sasirekha Vengatesh, member (Independent)
- Sri D. Ranganathan, Member (Executive)

#### Terms of Reference:

- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Review and monitor the auditor's independence, audit process, and effectiveness of audit process.
- Examination of quarterly, half yearly and annual financial statements, company's financial reporting process and disclosures of financial information and Auditors' Report thereon.
- Scrutiny and approval of transactions and any subsequent modification of transactions of the company with related parties.



- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Monitoring the end use of funds raised through public offers and related matters.
- Review of the internal control systems, scope of internal audit and the vigil mechanism in place.
- Monitoring forex transactions and hedging thereof.

#### MEETINGS OF THE AUDIT COMMITTEE

The Audit Committee met four times during the financial year 2024-25 on 29-05-2024, 08-08-2024, 11-11-2024 and 13-02-2025.

Name of the Member	Position Held	No. of Meetings Held	No. of Meetings Attended
Mr. K. Narendra	Chairman	4	3
Mr. T S V Rajagopal	Member	2	2
Mr. R. Gurubatham	Member	2	2
Ms Sasirekha Vengatesh	Member	2	1
Mr. D.Ranganathan	Member	4	2

The Audit Committee was reconstituted with the above members effective from November 11, 2024 consequent to retirement of three independent directors on expiry of their tenure.

The Statutory Auditors are invited to attend the Meeting of the Committee. The Company Secretary of the Company acts as the Secretary of the Committee.

The Chairman of the Audit Committee participated at the last Annual General Meeting (AGM) held on 13-09-2024.

The Committee has reviewed the financial statements of the Company including consolidated financial statements and recommended the same to the Board for their adoption. All the recommendations by the Audit Committee were accepted by the Board.

The committee also reviews the internal audit report, internal control systems, foreign exchange transactions and related party transactions periodically.

#### NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Board was reconstituted in November 2024 and comprises of the following directors:

- Sri. K. Narendra, (Independent Director) Chairman
- Sri. T S V Rajagopal, Member (Independent Director)
- Smt Sasirekha Vengatesh. , Member (Independent Director)
- Sri R. Gurubatham, Member (Independent Director)

The terms of reference of the Nomination and Remuneration Committee include formulating the policies for appointment of Directors, fixing of remuneration for the Executive Directors, determining criteria for selection of executive and independent directors, evaluation of the Board and individual directors and such other functions as may be delegated to it by the Board of Directors.

The Committee met on 08-08-2024 during the year 2024-25.



## EVALUATION OF THE BOARD'S PERFORMANCE, THAT OF THE COMMITTEES AND INDIVIDUAL INDEPENDENT DIRECTORS

The evaluation of the performance of the Independent Directors is based on their qualification, experience, knowledge and competency, ability to fulfill allotted functions / roles, ability to function as a team, pro-activeness, attendance and participation, commitment, contribution, integrity, independence from the company and ability to articulate independent views and judgment. Accordingly, the performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated.

The performance of the Board as a whole was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board based on inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Nomination and Remuneration Committee ("NRC") has evaluated the performance of the individual directors on the basis of the criteria approved by the Board.

## REMUNERATION OF DIRECTORS FOR THE YEAR 2024-25

### Criteria for making payment to Non Executive Directors:

The Company pays a sum of Rs.5000/- per meeting as fee to non-executive and independent Directors for attending the meetings of the Board of Directors, Independent Directors and that of the Committees of the Board. No other remuneration is paid to them. The sitting fees paid during 2024-25 is given below:

Name of the Non-executive Director	Sitting fees (Rs) Paid in Rs.	Commission	No of Shares held
Sri. V.J. Jayaraman	15,000	NIL	1235753
Sri. N.M. Ananthapadmanabhan	25,000	NIL	NIL
Sri. B.Sriram	25,000	NIL	NIL
Sri. Athimoolam Naidu	15,000	NIL	67,840
Smt. Arthi Anand	20,000	NIL	Nil
Sri. K. Narendra	40,000	Nil	Nil
Sri R. Gurubatham	30,000	Nil	1600
Sri T S V Rajagopal	30,000	Nil	Nil
Sri Sasirekha Vengatesh	15,000	Nil	Nil

### • Executive Directors

Name	Designation	Salary & Perquisites per annum in Rs.	Ratio to median remuneration
Sri. J. Anand	Managing Director	21,28,447	1: 14.80
Sri. D. Ranganathan	Whole-time Director	13,12,616	1 : 9.12



The Directors' remuneration does not have variable component such as commission. It includes salary and Company's contribution to Provident Fund.

The average increase in remuneration and that of key managerial Personnel are not comparable as there has been no increase in the remuneration of key managerial personnel.

No other employees receive remuneration higher than that received by a Director. Total number of permanent employees :454. The median annual remuneration paid in the financial year is Rs.143856/-.

The remuneration to each of Key Managerial Personnel is reasonable vis-a-vis the respective responsibilities and performance of the Company. No non director employee receives remuneration in excess of any whole-time director.

Ratio of remuneration of Directors / Key Managerial Personnel (KMP) to the median remuneration of the employees:

K M P	Managing Director	Chief Financial Officer	Company Secretary
Increase in Remuneration	Nil	Nil	Nil
Ratio to median remuneration	1 : 14.80	1: 9.12	1 : 4.42

The remuneration of directors and key managerial personnel is as per the remuneration policy of the Company.

#### Stakeholder Relationship Committee

The shareholder and investor grievances committee consists of the following members as reconstituted effective from November 11, 2024.

- Sri. K.Narendra, Chairman
- Sri. R.Gurubatham, Member
- Sri. T S V Rajagopal, Member
- Sri D Ranganathan, Member

The Company Secretary acts as the Secretary to the Committee.

The Committee meets as and when required, to inter alia deal with matter relating to its term of reference. A meeting of the committee was held on 26-03-2025 during the year.

#### Terms of Reference:

- Redressal of shareholders and investors complaints including, but not limiting to, transfer of shares and issue of duplicate share certificates, non-receipt of annual report, non-receipt of declared dividends, etc.;
- Monitoring transfers, transmissions, dematerialisation, rematerialisation, splitting and consolidation of shares issued by the Company; and such other acts, deeds, matters and things as may be stipulated in terms of the SEBI Listing Regulations and any other regulatory provisions and other matters as the Board of Directors may consider fit for effective redressal of shareholders and / or investors' grievances. Based on the report received from M/s. MUFG Intime India Private. Limited, the Registrar & Share Transfer Agent. As on March 31, 2025 there were no fresh complaints received from any shareholder during the year nor pending at the end of the year.

All recommendations of Committees of the Board which are mandatorily required have been accepted.

### General body meetings

The date, time and venue of the last three Annual General Meetings are given below:

Financial Year	Date and mode	Time	Location	Special Resolutions passed
2023-24	13-09-2024 Regular Meeting	10:00 AM	Chamber Towers, Indian Chamber of Commerce & Industry, Coimbatore - 641 018	Nil
2022-23	13-09-2023 Regular Meeting	10:00 AM	Chamber Towers, Indian Chamber of Commerce & Industry, Coimbatore - 641 018	Nil
2021-22	28-09-2022 Regular Meeting	10.00 AM	No.9, Ardra Hall Huzur Road Coimbatore - 641 018	1) Special resolution was passed for reappointment of Sri D. Ranganathan (DIN:00137566) as Wholetime Director for a period of three years from 24/06/2022 to 23/06/2025.

### Means of communication

The Quarterly results as well as audited annual results as required under Reg.33 of the listing regulations are published in one daily English Newspaper "The Financial Express" and one regional Tamil newspaper "Malai Murasu". The Annual Reports, Quarterly reports and Annual Returns are made available in the "investors" section of the company's website [www.veejaylakshmi.com](http://www.veejaylakshmi.com) which is user friendly and are easily downloadable. There were no news releases or media presentation during the year.

### GENERAL SHAREHOLDER INFORMATION:

#### • Annual General Meeting

AGM Date	September 11, 2025 Wednesday
Time	10.30 AM
Venue	Chamber Towers, Indian Chamber of Commerce & Industry Coimbatore - 641 018

#### • Financial calendar:

Financial Year : 1<sup>st</sup> April, 2024 to 31<sup>st</sup> March, 2025

Book Closure : September 5, 2025 to September 11, 2025 (both days inclusive)

Dividend Payment Date : N A

Listing On Stock Exchanges : BSE Limited

The Equity shares of the company are listed in BSE Ltd. (Bombay Stock Exchange). The Company has paid the listing fees to the stock exchange for the Financial Year 2024- 25.

#### • Stock Code:

B S E Limited : 522267 ISIN with NSDL and CDSL: Equity Shares: INE466D01019



- Stock Market Price Data**

Market price data (High/Low) during each month in the financial year 2023-2024 on BSE Limited are as under:

Month	High (Rs)	Low (Rs)
April – 2024	53.00	46.70
May – 2024	62.75	49.00
June – 2024	62.50	48.17
July – 2024	125.82	59.90
August – 2024	130.00	87.70
September – 2024	86.00	52.82
October – 2024	73.00	63.41
November – 2024	66.84	50.08
December – 2024	88.95	65.87
January – 2025	93.39	70.31
February – 2025	73.50	59.30
March - 2025	62.42	44.32

- Performance of company share price in comparison with BSE sensex:**

The company's share price is not comparable with the BSE Sensex in view of the volume of shares traded being less.

- Variations in the Market capitalisation of the company, Price earnings ratio as at the closing date of the current financial year and previous financial year:**

Particulars	March 31, 2025	March 31, 2024
Market Capitalisation of the Company (Rs. Lakhs)	3011	2369
Issued capital (in Nos)	5071900	5071900
Closing price at B S E Ltd. (Rs.)	59.37	46.70
Earning per share (Rs.)	(6.54)	(8.98)
Price Earning Ratio as at closing date	–	–

Note: Percentage increase over decrease in the market quotations of the shares in comparison to the rate at which the company came out with the last public offer.

Not comparable in view of the last public offer having been made long back in 1995.

- Registrar and Share Transfer Agents:**

MUFG Intime India Private Limited  
 "Surya", 35, Mayflower Avenue, Behind Senthil Nagar  
 Sowripalayam Road, Coimbatore – 641 028  
 Telephone: + 91 0422-4958995, 2539835 /836,  
 Email: coimbatore@in.mpps.mufg.com Web: www.mufgintime.co.in

- Share Transfer system:**

The share transfers are registered and returned within a period of thirty days from the date of receipt if, documents are in order. The Share transfers are approved by share transfer committee, which meets as and when required.

• **Distribution of Shareholding as on 31<sup>st</sup> March 2025**

Shareholding of Nominal value of Rs.10 each	No. of Share holders	% of shareholders	Total no. of shares	% of Shareholding
UPTO to 500	4,007	92.819	4,28,280	8.44
5,01 to 1,000	143	3.313	1,16,032	2.29
1001 to 2000	63	1.459	89,806	1.77
2001 to 3000	37	0.857	95,240	1.88
3001 to 4000	17	0.394	61,662	1.22
4001 to 5000	11	0.255	51,190	1.01
5001 to 10000	14	0.324	98,444	1.94
1,0001 and above	25	0.579	41,31,246	81.45
<b>Grand Total</b>	<b>4,317</b>	<b>100.000</b>	<b>50,71,900</b>	<b>100.00</b>

• **Categories of shareholders as on 31<sup>st</sup> March 2025**

Category	No. of Shares Held	% of Shareholding
<b>Promoter Holding</b>		
• Promoter Holding	32,37,541	63.8329
<b>Public share Holding</b>		
• Mutual Funds and UTI	Nil	Nil
• Banks, Fin. Institutions, Insurance Companies	500	0.0098
• Govt./Govt. companies	200	0.0039
<b>Others</b>		
• Directors & Relatives	5,270	0.1039
• Private Corporate Bodies	28,967	0.5711
• Indian Public	16,31,878	32.1750
• NRI/OBC's	71,234	1.4045
• I E P F Authority	96,310	1.8989

• **Dematerialization of shares:**

Mode	No. of Shares	%
Demat	49,38,849	97.377
Physical	1,33,051	2.623
<b>TOTAL</b>	<b>50,71,900</b>	<b>100.00</b>



- Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued GDRs/ADRs/Warrants or any other instrument convertible into equity.

- **Plant Locations**

The Company's plants are located as under:

- Engineering Division : Sengalipalayam, NGGO Colony Post, Coimbatore - 641 022
- Textiles Division : Thekkampatti, Mettupalayam Taluk, Coimbatore - 641 113

Wind Mills:

- Kethanur, Palladam, Tirupur - 638 671
- Sinjuwadi, Pollachi, Coimbatore - 642 007
- Irukkanthurai, Radhapuram, Tirunelveli - 627 001

## **OTHER DISCLOSURES**

### **a) Related Party Transactions**

The company did not have any materially significant related party transactions having potential conflict with the interest of the company at large. The details of the related party transactions as per Accounting Standard-18 forms a part of Notes on accounts of the Financial Statements. All the related party transactions were in the normal course of business of the company. The policy on Related Party transactions and the quarterly reports thereof as submitted to the stock exchange are disclosed in the website of the Company, [www.veejaylakshmi.com](http://www.veejaylakshmi.com)

### **b) Compliance by the Company**

The Company has complied with the requirements of the Listing Regulations as well as any other SEBI regulations and guidelines applicable.

No penalty or strictures were passed by SEBI or any other statutory authority on any matter related to capital markets, during the year.

The Company has complied with all other mandatory requirements laid down under the provision of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

### **c) Vigil Mechanism and Whistle-Blower Policy**

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

The Whistle Blower Policy has been posted on the website of the Company [www.veejaylakshmi.com](http://www.veejaylakshmi.com) Your Company hereby affirms that no complaints were received during the year under review.

### **d) Policy for determining 'material' subsidiaries**

The Company has no subsidiaries as at 31.3.2025.

### **e) Commodity price risks and Commodity hedging activities during the financial year ended 31<sup>st</sup> March, 2025**

The Company did not engage in commodity hedging activities.

**f) Disclosure of Accounting Treatment In the preparation of the financial statements**

The Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

**g) Utilisation of funds raised**

The Company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**h) A certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority has been annexed to this report.****i) Acceptance of recommendation by committees**

During the year under review, the recommendations made by different Committees have been accepted and there were no instances where the Board of Directors has deviated from any recommendation of the Committees.

**j) Payment to Statutory Auditors**

The Company has paid a sum of Rs.3.05 Lakhs as fees on consolidated basis to the Statutory auditor for the services rendered by them.

**k) Sexual harassment of women**

As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal ) Act, 2013, the Company has constituted an Internal Complaints Committee. During the year 2024-25, no complaint was received by the committee. As such, there are no complaints pending as at the end of the financial year.

**l) Risk Management**

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board. The risk management policy of the Company is disclosed in the website of the company, [www.veejaylakshmi.com](http://www.veejaylakshmi.com)

**m) Non-compliance of Corporate Governance:**

There has been no instance of non-compliance of any requirement of Corporate Governance. The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the Listing Regulations.

**n) Certificate from CEO/CFO:**

The CEO/CFO certification of the financial statements for the year has been submitted to the Board of Directors, in its meeting held on 29-05-2025 as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations.



• **Address for correspondence**

For any assistance, request or instruction regarding transfer or transmission of shares, dematerialisation of shares, change of address, non-receipt of annual report, dividend warrant and any other query relating to the Company, the investors may please write to the following address:

Registrar and Share Transfer Agent: MUFG Intime India Private Limited “Surya”, 35, Mayflower Avenue Sowripalayam Road Coimbatore – 641 028 Phone : + 91 0422-4958995, 2539835, Email : coimbatore@mufgintime.co.in Web : www.mufgintime.co.in	The Company Secretary, Veejay Lakshmi Engineering Works Limited Sengalipalayam, NGGO Colony post, Coimbatore- 641 022 Phone : +91-422- 7373045125 Email : accounts@veejaylakshmi.com compsec@veejaylakshmi.com
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## DECLARATION PURSUANT TO REG. 34(3) AND CLAUSE D OF SCHEDULE V OF SEBI (LODR) REGULATIONS, 2015

Pursuant to Reg.34(3) and Part D of Schedule V of SEBI (LODR) Regulations, 2015, I hereby declare that for the financial year ended March 31, 2025 the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the code of conduct stipulated by the Company. It is also confirmed that the Code of Conduct has been posted on the website of the Company.

Coimbatore  
29-05-2025

(Sd.) J. Anand  
Managing Director

## CERTIFICATION BY CEO / CFO PURSUANT TO REG.17(8) AND PART B OF SCHEDULE II OF SEBI (LODR) REGULATIONS, 2015

To

The Board of Directors  
Veejay Lakshmi Engineering Works Limited  
Coimbatore - 641 022

### ANNUAL CERTIFICATION BY CEO / CFO PURSUANT TO REG.17(8) AND PART B OF SCHEDULE II OF SEBI (LODR) REGULATIONS, 2015

As required under Reg. 17(8) and Part B of Schedule II of SEBI (LODR) Regulations, 2015

We hereby certify that :

We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2025 and that to the best of our knowledge and belief:

- (a) (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 Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept the responsibility of establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design and operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee :
  - (i) Significant changes in internal control over financial reporting during the year.
  - (ii) Significant changes in accounting policies made during the year and the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the Involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Coimbatore  
29.05.2025

(Sd/-) D. Ranganathan  
Wholetime Director(CFO)

(Sd/-) J. Anand  
Managing Director(CEO)

**INDEPENDENT AUDITOR'S REPORT****To the Members of Veejay Lakshmi Engineering Works Limited  
REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS****Opinion**

We have audited the accompanying standalone financial statements of **VEEJAY LAKSHMI ENGINEERING WORKS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2025, the Loss and total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of standalone financial statements in accordance with the Standards on Auditing (SAs) specified u/s 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statements section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAI's Code of Ethics.

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

**Key Audit Matters**

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<b>1. Litigations - Contingencies</b> The company has ongoing litigations with various authorities and third parties which would have significant impact on the results, if the potential exposures were to materialize. The amounts involved are significant, and the application of accounting standards to determine the amount, if any, to be provided as liability or disclosed as a contingent liability is inherently subjective. Claims against the company not acknowledged as debts are disclosed in the Financial statements by the company after a careful evaluation of the facts and legal aspects of the matter involved. The outcome of such litigation is uncertain and the position taken by management involve significant judgement and estimation to determine the likelihood and/or timing of cash outflows and the interpretation of preliminary and pending court rulings. Refer note 27 to the Standalone Financial Statements	<b>Principal Audit Procedures Performed :</b> Our audit approach was a combination of test of controls and substantive procedures including: a) Assessing the appropriateness of the design and implementation of the company's controls over the assessment of litigations and completeness of disclosures. b) We tested the design and operating effectiveness of the company's key controls over the identification, estimation, monitoring and accounting/ disclosure of Provisions for disputed matters and contingent liabilities. c) For Significant cases, where the company has recognized provision, we assessed the determination of amounts recognized. d) For cases where provision was not recognized by the Company, we assessed the disclosure made in the financial statements.



### **Information other than the Standalone Financial Statements and the Auditor's report thereon**

The Company's Board of directors is responsible for preparation of other information. The other information comprises the information included in the management discussion and analysis, Board's Report including annexures to Board's Report, Business responsibility report, Corporate Governance Report and Shareholder's information, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report the fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the board of directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting

a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and event in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of identified misstatements in the financial statements.

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

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

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

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

- 1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we enclose in Annexure A, a statement on the matters specified in Paragraphs 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143 (3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



- c) The Standalone balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone statement of Changes in Equity and the standalone Statement of Cash Flows 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 Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) rules, 2015 as amended.
- e) On the basis of the written representations received from the directors as on March 31, 2025, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of Section 197 of the Act read with Schedule V to the act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended 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 position in its standalone Financial Statements – Refer Note No.27 on Contingent Liability to the standalone financial statements;
  - ii) The company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
  - iii) There were no amounts which were required to be transferred to the Investor education and Protection Fund by the company.
  - iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v) The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.



- vi) The Reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is applicable from April 1, 2023.

Based on our examination which included test checks, the company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software.

Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the company as per statutory requirements for record retention.

For **N.R.D ASSOCIATES**

Chartered Accountants

Firm Registration No.: 005662S

**(Sd/-) Malavika T.M.**

Partner

Membership No. 231017

UDIN: 25231017BMLLSH5156

Place : Coimbatore

Date : May 29, 2025



## ANNEXURE A - TO INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' in the Independent Auditor's report of even date to the members of VEEJAY LAKSHMI ENGINEERING WORKS LIMITED on the Standalone Financial Statements for the year ended March 31, 2025.]

In terms of the information and explanation sought by us and given by the Company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report the following:

- i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) During the year, the Property, Plant and Equipment of the Company have been physically verified by the management at regular intervals; as informed no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company.
- (d) The Company has not revalued its Property, Plant and Equipment (including right of use assets) and Intangible Assets during the year.
- (e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Hence reporting under clause (i)(e) of Paragraph 3 of the Order is not required.
- ii) (a) The inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable and the procedure and coverage followed is appropriate. The Company has maintained proper records of inventories. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in aggregate for each class of inventory.
- (b) The company has been sanctioned working capital in excess of five crore rupees, in aggregate, from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements filed by the company with banks and financial institutions are in agreement with the books of accounts of the company.
- iii) The Company has not granted any loans secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties covered in register maintained under Section 189 of the Companies Act, 2013. Hence reporting under clause (iii) of Paragraph 3 of the Order is not required.
- iv) The Company has not provided any loans, guarantees or security as specified in Section 185 or 186 of the Act. In respect of investments made by the company, we are of the opinion that the provisions of sections 185 & 186 of the Act have been complied with.
- v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year within the provisions of section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014. We have been informed that no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal in this regard.
- vi) We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion





that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate and complete.

- vii) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including Provident fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and any other statutory dues with the appropriate authorities and there are no undisputed statutory dues outstanding for a period of more than six months from the date they became payable as at the balance sheet date.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income tax, Goods and Service tax, Customs duty, Cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

- viii) According to the information and explanation provided to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix) In our opinion and according to the information and explanation provided to us,
- (a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
  - (b) The company is not declared as a willful defaulter by bank or financial institution or government or any government authority.
  - (c) The term loans taken were applied for the purpose for which it was obtained.
  - (d) The funds raised on short term basis have, prima facie, not been used during the year for long term purposes by the Company.
  - (e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
  - (f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies
- x) (a) We are of the opinion that the company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under clause (x) (a) of Paragraph 3 of the Order is not applicable.
- (b) The company has not made any preferential allotment or private placement of shares or convertible debentures during the year and hence reporting under clause (x) (b) of Paragraph 3 of the Order does not arise.
- xi) In our opinion and according to the information and explanation provided to us
- (a) No frauds by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
  - (b) No report under sub-section (12) of section 143 of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and up to the date of this report.
  - (c) The Company has not received any whistle blower complaints during the year (and up to the date of this report).
- xii) The company is not a Nidhi Company and hence reporting under clause (xii) (a), (b) and (c) of Paragraph 3 of the Order does not arise.
- xiii) According to the information and explanation given to us, and based on our examination of the records of the Company, the transactions with the related parties are in compliance with section 177 and 188 of the Act and the details thereof have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards and the Act.





- xiv) (a) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv) 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 to its directors and hence reporting under clause (xv) of Paragraph 3 of the Order does not arise.
- xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause (xvi) (a)(b)(c)(d) of Paragraph 3 of the Order is not applicable.
- xvii) Based on our audit procedures and the information and explanations given by the management, we are of the opinion that the company has incurred cash losses of Rs.80.86 Lakhs in the financial year and Rs.235.11 Lakhs in the immediately preceding financial year.
- xviii) There has been no resignation of statutory auditors during the year and hence reporting under clause (xviii) of Paragraph 3 of the Order is not applicable.
- xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, and our knowledge of the Board of Directors and management plans, and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We however state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) Section 135 of the Act does not apply to the company, therefore reporting under clause (xx)(a) and (b) of Paragraph 3 of the Order is not applicable to the company.
- xxi) The company does not have any Indian Subsidiary and hence reporting under clause (xxi) of Paragraph 3 of the Order is not applicable to the Company.

For **N.R.D ASSOCIATES**

Chartered Accountants

Firm Registration No.: 005662S

**(Sd/-) Malavika T.M.**

Partner

Membership No. 231017

UDIN: 25231017BMLLSH5156

Place : Coimbatore

Date : May 29, 2025



## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirement' in the Independent Auditor's Report of even date to the members of Veejay Lakshmi Engineering works Limited on the Standalone Financial Statements for the year ended 31-03-2025]

### **Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Veejay Lakshmi Engineering Works Limited** ("the Company") as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for the Internal Financial Controls**

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that



- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

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

Place : Coimbatore  
Date : May 29, 2025

For **N.R.D ASSOCIATES**  
Chartered Accountants  
Firm Registration No.: 005662S  
**(Sd/-) Malavika T.M.**  
Partner  
Membership No. 231017  
UDIN: 25231017BMLLSH5156

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

Particulars	Note No.	As at 31/03/2025	As at 31/03/2024
<b>ASSETS</b>			
<b>I. Non-current Assets</b>			
a) Property Plant and Equipment	2	3,454.40	3,636.46
b) Capital Work in Process		—	—
c) Investment Property	3	66.49	77.82
d) Intangible Assets	4	—	—
e) Financial Assets			
(i) Investments	5(a)	266.94	253.99
(ii) Loans/Security Deposits	5(b)	160.78	119.97
(f) Deferred Tax Asset (Net)	6	—	—
(g) Other Non Current Assets	7	33.64	29.17
<b>Total</b>		<b>3,982.25</b>	<b>4,117.41</b>
<b>II. Current Assets</b>			
a) Inventories	8 (a)	1,428.61	1,213.80
b) Financial Assets			
(i) Trade Receivables	8(b)	156.58	450.93
(ii) Cash and Cash equivalents	8(c)	2.59	2.54
(iii) Bank balances other than ii above	8(d)	44.00	41.72
(iv) Loans	8(e)	0.10	2.86
(c) Other current assets	9	228.46	208.02
(d) Current Tax Assets (Net)		19.31	19.48
<b>Total</b>		<b>1,879.65</b>	<b>1,939.35</b>
<b>TOTAL ASSETS</b>		<b>5,861.90</b>	<b>6,056.76</b>
<b>EQUITY AND LIABILITIES</b>			
<b>I. Equity</b>			
(a) Equity Share Capital	10	507.19	507.19
(b) Other Equity	11	1,008.87	1,343.39
<b>Total Equity</b>		<b>1,516.06</b>	<b>1,850.58</b>
<b>II. Non Current Liabilities</b>			
a) Financial Liabilities			
Borrowings	12	1,915.14	1,995.37
Discounted Interest Portion of Interest waived Unsecured Loans		289.95	—
Security Deposit from Tenants		159.63	117.52
b) Gratuity/Leave Salary Provisions	13	89.76	78.18
<b>Sub total</b>		<b>2,454.48</b>	<b>2,191.07</b>
<b>III. Current Liabilities</b>			
a) Financial Liabilities			
(i) Short term Borrowings	14 (a)	1,033.70	863.80
(ii) Trade Payables			
a) Dues to Micro and Small Enterprises	14(b)	177.29	585.17
b) Dues to Creditors other than (ii) (a) above		104.31	2.89
(iii) Other Financial Liabilities	14(c)	318.92	187.75
b) Other Current Liabilities	15	200.78	328.61
c) Provisions	16	56.36	46.89
<b>Sub total</b>		<b>1,891.36</b>	<b>2,015.11</b>
<b>TOTAL LIABILITIES</b>		<b>5,861.90</b>	<b>6,056.76</b>

**Significant Accounting Polices**

Notes to the Financial Statements

The accompanying Notes form an integral part of the Standalone Financial Statements

For and on behalf of the Board of Directors of

Veejay Lakshmi Engineering Works Limited

(SD/-) V.J. JAYARAMAN (SD/-) J. ANAND (SD/-) D. RANGANATHAN (SD/-) V.K. SWAMINATHAN

Chairman Managing Director Whole-Time Director Company Secretary

DIN No:00137340 DIN No: 00137425 DIN No:00137566

Place : Coimbatore

Date : 29.05.2025

As per our report of even date

For N.R.D. Associates

Chartered Accountants, FRN No. 005662S

T.M. MALAVIKA

Partner

M.No: 231017

**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH, 2025**

Particulars	Note No.	For the year ended 31.03.2025	For the year ended 31.03.2024
		<b>Amount ₹ in lakhs</b>	
<b>INCOME</b>			
I. Revenue from operations	17	<b>7,964.93</b>	8,709.10
II. Other Income	18	<b>319.99</b>	343.38
III. <b>Total Income (I+II)</b>		<b>8,284.92</b>	9,052.48
<b>IV. EXPENSES</b>			
Cost of Materials consumed	19	<b>6,172.77</b>	6,454.74
Changes in Inventories of Finished goods, Work-in process and Stock in trade	20	<b>(334.62)</b>	257.72
Employee Benefits Expense	21	<b>1,122.07</b>	1,164.80
Finance Costs	22	<b>250.07</b>	237.22
Depreciation and amortization expenses	2&3	<b>249.44</b>	243.72
Other expenses	23	<b>1,155.49</b>	1,173.11
<b>Total Expenses (IV)</b>		<b>8,615.22</b>	9,531.31
V. <b>Profit/(Loss) before exceptional items and tax (III-IV)</b>		<b>(330.30)</b>	(478.83)
VI. Exceptional items (income+), expenses(-)		<b>—</b>	—
VII. <b>Profit/(Loss) before Tax after exceptional items (V-VI)</b>		<b>(330.30)</b>	(478.83)
VIII. Tax Expense :			
Current Tax		<b>—</b>	—
Current tax for prior period		<b>—</b>	—
Deferred Tax		<b>1.18</b>	(23.29)
IX. <b>Profit and Loss for the year from continuing operations (VII-VIII)</b>		<b>(331.48)</b>	(455.54)
X. Other comprehensive income			
A. Items that will not be reclassified to Profit or Loss			
1. Changes in Fair value of FVTOI equity instruments		<b>12.95</b>	85.60
1.a. Deferred-tax relating to above		<b>(3.60)</b>	(23.81)
2. Remeasurement of post-employment defined benefit plans		<b>(19.05)</b>	—
2.a. Deferred-tax relating to above		<b>5.30</b>	—
B. Items that will be reclassified to Profit and Loss			
1. Forex Cash Flow Hedging		<b>1.88</b>	(1.88)
1.a. Deferred-tax relating to above		<b>(0.52)</b>	0.52
<b>Total Other Comprehensive income for the year</b>		<b>(3.04)</b>	60.43
XI. Profit/loss from discontinuing operations		<b>—</b>	—
XII. Tax expense of discontinuing operations		<b>—</b>	—
XIII. Profit/loss from discontinuing operations(after tax)		<b>—</b>	—
XIV. <b>Total Comprehensive income for the year</b>		<b>(334.52)</b>	(395.11)
Earnings per share for Continuing operation			
Basic	28	<b>(6.54)</b>	(8.98)
Diluted		<b>(6.54)</b>	(8.98)

There is no discontinued operation and hence there is no profit/loss or EPS relating to the same

**Significant Accounting Policies**

Notes to the Financial Statements

The accompanying Notes form an integral part of the Standalone Financial Statements

For and on behalf of the Board of Directors of

**Veejay Lakshmi Engineering Works Limited**

(SD/-) V.J. JAYARAMAN (SD/-) J. ANAND (SD/-) D. RANGANATHAN (SD/-) V.K. SWAMINATHAN  
Chairman Managing Director Whole-Time Director Company Secretary

DIN No:00137340

Place : Coimbatore

Date : 29.05.2025

DIN No: 00137425

DIN No:00137566

As per our report of even date

**For N.R.D. Associates**

Chartered Accountants, FRN No. 005662S

**T.M. MALAVIKA**

Partner

M.No: 231017

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025**

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
<b>I. Cash Flows from Operating Activities</b>	<b>Amount ₹ in lakhs</b>	
Net profit before taxation and extraordinary item	(330.30)	(478.83)
Adjustments for:		
Depreciation and amortisation expense	249.44	243.72
Allowance for doubtful debts	—	—
Finance expenses (considered separately)	250.07	237.22
Interest income (considered separately)	(143.22)	(130.63)
Dividend Income	(1.58)	(1.85)
Unrealised foreign exchange fluctuation loss/(gain), net	0.36	4.72
(Profit) /loss on sale of Property, Plant and Equipment (net)	(4.72)	—
Profit on sale of Investments	—	—
Operating profit before working capital changes	350.35	353.18
Working capital changes:		
(Increase)/Decrease in Trade receivables	294.35	(403.84)
(Increase)/Decrease in Inventories	(214.81)	553.76
Increase/(Decrease) in Loans	2.76	(2.76)
Increase/(Decrease) in other current assets	(20.44)	282.99
(Increase)/Decrease in other financial Assets	—	—
Increase/(Decrease) in trade payables	(306.46)	484.93
(Increase)/Decrease in Non current Assets	(4.47)	—
Increase/(Decrease) in other financial liabilities	175.16	11.00
Increase/(Decrease) in other current liabilities	(127.83)	(47.88)
Increase/(Decrease) in Advances	(40.81)	(17.46)
Increase/(Decrease) in provisions	2.00	6.47
Cash generated from operations	109.80	1,220.39
Tax (paid)/refund received	0.17	(14.26)
<b>Net cash used in/ generated from operations</b>	<b>(A)</b>	<b>(220.33)</b>
<b>II. Cash Flows from Investing Activities</b>		
Purchase of Property, Plant and Equipment	(56.77)	(92.65)
Sale proceeds of Property, Plant and Equipment	5.44	0.17
Interest income received	143.22	130.63
Amount Invested in Fixed Deposit	(2.28)	(1.21)
Proceeds from Investments	—	—
Dividend Income Received	1.58	1.85
<b>Net cash used in investing activities</b>	<b>(B)</b>	<b>91.19</b>
<b>III. Cash Flows from Financing Activities</b>		
Interest paid	(250.07)	(293.01)
Increase/(decrease) in short-term borrowings	169.90	(534.00)
Proceeds from long-term borrowings	209.72	65.07
<b>Net cash used in financing activities</b>	<b>(C)</b>	<b>129.55</b>
Effect of exchange differences on translation of cash and cash equivalents	<b>(D)</b>	<b>(0.36)</b>
<b>Net increase/(decrease) in cash and cash equivalents during the year (A) + (B) + (C) + (D)</b>		<b>0.05</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>3.11</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>2.54</b>
<b>IV. Significant Accounting Policies</b>	<b>1</b>	
Notes to financial statements	<b>(2-34)</b>	

The accompanying Notes form an integral part of the Standalone Financial Statements

Notes: 1. Figures in brackets represent out flows of cash and cash equivalents.

For and on behalf of the Board of Directors of

Veejay Lakshmi Engineering Works Limited

As per our report of even date

**For N.R.D. Associates**

Chartered Accountants, FRN No. 005662S

(SD/-) V.J. JAYARAMAN (SD/-) J. ANAND (SD/-) D. RANGANATHAN (SD/-) V.K. SWAMINATHAN

Chairman Managing Director Whole-Time Director Company Secretary

DIN No:00137340 DIN No: 00137425 DIN No:00137566

Place : Coimbatore

Date : 29.05.2025

**T.M. MALAVIKA**

Partner

M.No: 231017

**Statement of Changes in Equity for the year ended 31<sup>st</sup> March 2024**

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	Equity Share Capital	Reserves and Surplus				Equity Instruments through Other Comprehensive Income	Items of Other Comprehensive Income	Cash Flow hedge	Total
		General Reserve	Capital Reserve	Securities premium	Retained Earnings				
Balance at the beginning of the Previous reporting period (01.04.2023)	507.19	3,599.49	100.82	2,116.43	(4,193.07)	124.79	(9.96)		2,245.69
Changes due to prior period items	-	-	-	-	-	-	-	-	-
Restated Balance at the beginning of reporting Period (01.04.2023)	507.19	3,599.49	100.82	2,116.43	(4,193.07)	124.79	(9.96)	-	2,245.69
Profit for the year	-	-	-	-	(455.54)	-	-	-	(455.54)
Remeasurement of net defined benefit Liability/Asset (net)	-	-	-	-	-	-	-	-	-
Changes in fair value of equity instruments through FVTOCI [net of tax]	-	-	-	-	-	61.79	-	-	61.79
Cash flow hedges (Net of taxes)	-	-	-	-	-	-	-	(1.36)	(1.36)
Total Comprehensive Income	-	-	-	-	(455.54)	61.79	-	(1.36)	(395.11)
Transfer to Reserves	-	-	-	-	-	-	-	-	-
<b>Balance at the end of reporting Period (31.03.2024)</b>	<b>507.19</b>	<b>3,599.49</b>	<b>100.82</b>	<b>2,116.43</b>	<b>(4,648.61)</b>	<b>186.58</b>	<b>(9.96)</b>	<b>(1.36)</b>	<b>1,850.58</b>

**Statement of Changes in Equity for the year ended 31<sup>st</sup> March 2025**

Particulars	Equity Share Capital	Reserves and Surplus				Equity Instruments through Other Comprehensive Income	Items of Other Comprehensive Income	Cash Flow hedge	Total
		General Reserve	Capital Reserve	Securities premium	Retained Earnings				
Balance at the beginning of the current reporting period (01.04.2024)	507.19	3,599.49	100.82	2,116.43	(4,648.61)	186.58	(9.96)	(1.36)	1,850.58
Changes due to prior period items	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of reporting Period (01.04.2024)	507.19	3,599.49	100.82	2,116.43	(4,648.61)	186.58	(9.96)	(1.36)	1,850.58
Profit for the year	-	-	-	-	(331.48)	-	-	-	(331.48)
Remeasurement of net defined benefit Liability/Asset (net)	-	-	-	-	-	-	(13.75)	-	(13.75)
Changes in fair value of equity instruments through FVTOCI [net of tax]	-	-	-	-	-	9.35	-	-	9.35
Cash flow hedges (Net of taxes)	-	-	-	-	-	-	-	1.36	1.36
Total Comprehensive Income	-	-	-	-	(331.48)	9.35	(13.75)	1.36	(334.52)
Transfer to Reserves	-	-	-	-	-	-	-	-	-
<b>Balance at the end of reporting Period (31.03.2025)</b>	<b>507.19</b>	<b>3,599.49</b>	<b>100.82</b>	<b>2,116.43</b>	<b>(4,980.09)</b>	<b>195.93</b>	<b>(23.71)</b>	<b>-</b>	<b>1,516.06</b>

1

2-34

The accompanying notes form an integral part of the standalone financial statements

For and on behalf of the Board of Directors of  
**Veejay Lakshmi Engineering Works Limited**

(Sd/-) V.J. JAYARAMAN (Sd/-) J. ANAND (Sd/-) D. RANGANATHAN (Sd/-) V.K. SWAMINATHAN  
 Chairman Managing Director Whole-Time Director Company Secretary

DIN No:00137340

DIN No: 00137425

DIN No:00137566

Place : Coimbatore

Date : 29.05.2025

As per our report of even date  
**For N.R.D. Associates**  
 Chartered Accountants, FRN No. 005662/S

T.M. MALAVIKA  
 Partner  
 M.No. 231017





**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025****1. CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES:****1. Corporate information**

Veejay Lakshmi Engineering Works Limited is a public company incorporated in India under the provisions of the Companies Act, 1956. Its shares are listed on the Bombay Stock Exchange [BSE]. The principal place of business is Coimbatore. The Company manufactures Textile machinery used in post spinning operations and also has a textile unit producing yarn and knitted fabrics. The products are sold in both domestic and international markets. The financial Statements are approved for issue by the Company's Board of Directors on 29<sup>th</sup> May, 2025.

**2. Statement of compliance/Accounting treatment**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013.

**3. Basis of preparation of financial statements**

The financial statements are prepared on accrual basis of accounting under historical cost convention except as otherwise provided in policy and in accordance with Indian Accounting Standard (Ind-AS) as notified by Ministry of Corporate Affairs under Companies (Indian Accounting Standards) Rules, 2015 and guidelines issued by the Securities and Exchange Board of India (SEBI) and subsequent amendments thereof as well as with the additional requirements applicable to the financial statements as set forth in the Companies Act. All items having material bearing on the financial statements are recognised on the accrual basis.

**4. Basis of measurement**

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities that are measured at fair values.

Items	Measurement Basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/liability	Fair value of plan assets less present value of defined benefit obligation

**Measurement of fair Values**

A number of Company's accounting policies and disclosures require a measurement of their fair value, for both financial and non-financial assets and liabilities

The Company has an established control framework with respect to the measurement of fair values. This includes periodic review of all significant fair value measurement, including level 3 fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.





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

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the other Notes to Accounts.

### 5. Use of estimates and judgment

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amount of assets, liabilities expenses and revenue during the reporting period. Although such estimates and assumptions are made on reasonable and prudent basis taking into all possible information, actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognized in the period in which the estimates are revised.

Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements are valuation of defined benefit obligations, provisions, contingent liabilities and impairment of trade receivables.

#### a) Impairment of Trade Receivables:

The company estimates the credit allowance as per practical expedient based on historical credit loss experience.

#### b) Provisions:

Provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. The policy for the same has been explained under Note 14 of Significant Accounting policies.

### 6. Functional and Presentation currency

These Financial Statements are presented in Indian Rupees, which is also Company's functional currency.

### 7. Property, Plant and Equipment and Intangible Assets

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and impairment loss, if any. Such costs comprise of purchase price and any directly attributable cost of bringing the assets to its working condition for intended use and also include any estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

The company depreciates property, plant & equipment using the straight line method on an estimated life as prescribed in Schedule II to the Companies Act, 2013.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are stated at cost less accumulated amortization and impairment if any.

The estimated useful lives and residual values of the Property, Plant & Equipment and Intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of Property, Plant & Equipment and intangible assets is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant & Equipment and intangible assets are determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the profit or loss. Advance paid towards the acquisition of property, plant & equipment outstanding at each Balance sheet date is classified as capital advance under other non-current assets.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025****8. Impairment of assets****Financial Assets:**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. IND AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

**Non-financial assets:**

Property, Plant and Equipment and Other Intangible Assets: The Company reviews at each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit & loss.

**9. Non-current assets held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Property, plant and equipment and Intangible assets are not depreciated or amortized once classified as held for sale.

**10. Investment Property**

Investment property is property held in the form of land/building which is mainly held for the purpose of capital appreciation, but not for sale in the ordinary course of business. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less impairment losses, if any. An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

**11. Borrowing cost**

Borrowing Cost specifically identified to the acquisition or construction of qualifying assets is capitalized as part of cost of such assets up to the period the project is commissioned or asset is put to use. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. The borrowing cost incurred on common funds borrowed generally and used for the purpose of obtaining the qualifying assets, is apportioned on rational basis, the remaining borrowing costs are charged to the Statement of Profit and Loss. Income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.



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

Finance cost-Interest expense is recognised using Effective interest rate method and includes notional interest on unsecured loan which represents interest waived over the period.

### 12. Accounting Policy on Revenue recognition

The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' with the date of initial application being April 1, 2018. Ind AS 115 establishes a comprehensive framework on revenue recognition. Ind AS 115 replaces Ind AS 18 'Revenue' and Ind AS 11 'Construction Contracts'.

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable net of returns, trade discounts. Revenue is recognised on the basis of despatches in accordance with the terms of sale when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of the goods can be estimated reliably, there is no continuing effective control over or managerial involvement with the goods and the amount of revenue can be measured reliably. The timing of transfers of risk and rewards varies depending on the individual terms of sale.

- a. Revenue from Service is recognised in accordance with the specific terms of contract on performance.
- b. Interest: Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- c. Dividend Income is recognized when the Company actually receives dividend.
- d. Export Incentives under Duty Drawback scheme are recognized when the right to receive payments is established and there is no uncertainty regarding the amount of consideration or its collectability.

### 13. Employee Benefits

Employee benefits include salaries, wages, provident fund, gratuity, leave encashment, compensate absences and retirement benefits.

#### Short-term employee benefits

Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized undiscounted during the period employee renders services. These benefits include remuneration, bonus, incentives, etc.

#### Long-term employee benefits

##### Defined contribution plans

Retirement benefit plans in the form of Provident Fund are charged as an expense on an accrual basis when employees have rendered the service.

##### Defined benefit plans

Defined benefit plans comprises of Gratuity. For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Re-measurement, comprising actuarial gains and losses and the effect of the changes to the asset ceiling (if applicable), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period

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

in which they occur and consequently recognised in retained earnings and is not reclassified to profit or loss.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

**Other long term employee benefits**

Other long term employee benefit comprises of leave encashment. The leave benefits are recognized based on the present value of defined obligation which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

**14. Provisions and Contingent Liabilities**

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of past event, it is probable that the company will be required to settle the obligation and reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of reporting period, taking into the account the risks and uncertainties surrounding the obligation. When provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of time value money is material).

Contingent liabilities are disclosed in the financial statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote. Contingent Liabilities are possible obligations that arises from past events and whose existence will be confirmed only when occurrence or non-occurrence of one or more future events not wholly within the control of the company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably the obligations are disclosed as contingent liabilities, unless the probability of outflow of economic benefits is remote. Contingent assets are not recognized but disclosed in the financial statements when an inflow of economic benefits is probable.

**15. Foreign Currency Transactions**

The Company translates all foreign currency transactions at Exchange Rates prevailing on the date of transactions. Exchange rate differences resulting from foreign exchange transactions settled during the year are recognized as income or expenses in the period in which they arise. Monetary current assets and monetary current liabilities that are denominated in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognized in the profit and loss account.

**16. Taxes on Income**

Income Tax expense comprises current tax and deferred tax.

**Current Tax**

Current Tax is the expected tax payable on taxable income for the year, using tax rates (tax laws) enacted or substantively enacted by the end of reporting period and includes adjustment on the account of tax in respect of previous year.

**Deferred tax**

Deferred tax is recognized using balance sheet method, providing for temporary difference between the carrying amount of asset or liability in the balance sheet and its tax base. Deferred tax is measured at the rate that are expected to apply when the temporary differences are either realized or settled, based on the laws that have been enacted or substantively enacted by the end of



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

reporting period. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilized. The carrying amount of Deferred tax assets are reviewed at each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Minimum alternate tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of MAT credit is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

### **Current and Deferred Tax for the year**

Income tax expense is recognized in the statement of profit or loss account except to the extent that it relates to items recognized in other comprehensive income.

### **17. Financial instruments**

Financial assets and financial liabilities are recognized when Company becomes a party to the contractual provisions of the Instruments.

Financial assets and financial liabilities are initially measured at fair value, except when the effect is immaterial. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of profit and loss.

### **Financial Assets**

#### **Cash and Cash equivalents**

The company considers all highly liquid financial Instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturity of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of cash on hand and cash balances with banks which are unrestricted for withdrawal and usage.

#### **Financial assets at amortised cost**

Financial assets are subsequently measured at amortized cost using the effective interest method, except when the effect of applying it is immaterial, if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **Financial assets at fair value through other comprehensive income**

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company, on initial application of IND AS 109 Financial Instruments, has made an irrevocable election to present subsequent changes in fair value of equity instruments not held for trading in other comprehensive income.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025****Financial assets at fair value through Profit or Loss**

Financial assets at fair value through profit or loss are measured at fair values at the end of each reporting period, with any gains or losses arising on re-measurement recognized in Profit or loss.

**Investment in Associates**

Investment in Associates is measured at cost in separate financial statements. Dividend income from subsidiaries is recognised when the Company receives dividend.

**Derivative financial instruments and hedge accounting**

The Company uses foreign currency forward contracts / options to hedge its risks associated with foreign Currency fluctuations relating to certain forecasted transactions. The Company designates some of these forward contracts / options as hedge instruments and account for as cash flow hedges applying the recognition and measurement principles set out in the Ind AS 109.

The counter party to the Company's foreign currency forward contracts is generally a bank. The Company does not use derivative financial instruments for speculative purposes. Foreign currency forward contract/option derivative instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in other comprehensive income and accumulated under effective portion of cash flow hedges.

Amounts previously recognised in other comprehensive income and accumulated in effective portion of cash flow hedges are reclassified to the Statement of Profit or Loss in the same period in which gains/losses on the item hedged are recognised in the Statement of Profit or Loss. However when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in effective portion of cash flow hedges are transferred from effective portion of cash flow hedges and included in the initial measurement of the cost of the nonfinancial asset or non-financial liability. Profit or loss arising on cancellation or renewal of a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal occurs. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the Statement of Profit and Loss as they arise.

**Impairment of financial assets**

The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

**De-recognition of financial assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On de-recognition of a financial asset in its entirety, (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in statement of profit and loss.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025****Financial liabilities and equity instruments****Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**Financial liabilities at amortized cost**

Financial liabilities are subsequently measured at amortized cost using the effective interest method, except when the effect of applying it is immaterial.

**Equity instruments**

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue cost.

**De-recognition of financial liabilities**

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

**Effective interest method**

The effective Interest method is a method of calculating the amortized cost of a debt Instrument and of allocating interest Income over the relevant period. The effective Interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

**Financial Guarantee contracts**

Financial guarantee contracts issued by the Company are initially measured at fair value and subsequently measured at the higher of the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18 Revenue.

**18. Inventories**

Inventories are valued at lower of cost and net realisable value after providing for obsolescence wherever necessary. Cost is determined on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**19. Statement of cash flows**

Cash Flows are reported using indirect method, whereby profit/(loss) before tax is adjusted for the effect of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

**20. Leases**

The Company enters into agreements, comprising a transaction or series of related transactions that does not take the legal form of lease but conveys the right to use the asset in return for payment of rent or series of rent payments. In case of such arrangements, the Company applies the requirements of Ind AS 116 – Leases/Rent payments to the lease element of the arrangement.



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

For the purpose of applying the requirements under Ind AS 116–Leases, payments and other consideration required by the arrangement are separated at the inception of the arrangement into those for rent and those for other elements.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental expense from operating leases is generally recognized on a straight-line basis over the term of the relevant lease.

However, where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognized in the year in which such benefit accrue, Contingent rentals, if any, arising under operating leases are recognized as an expense in the period in which they are incurred.

**21. Earnings Per share**

Basic Earnings per share are computed by dividing the profit/loss after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing profit/loss after tax as adjusted for dividend, interest and other charges to expense or income relating dilutive potential equity share, by the weighted number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity.

**22. Current vs Non-Current Classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

**An asset is treated as current when it is:**

1. Expected to be realised or intended to be sold or consumed in normal operating cycle, or
2. Held primarily for the purpose of trading, or
3. Expected to be realised within twelve months after the reporting period, or
4. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

**A liability is current when:**

1. It is expected to be settled in normal operating cycle, or
2. It is held primarily for the purpose of trading, or
3. It is due to be settled within twelve months after the reporting period, or
4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

**23. Segment reporting**

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group's other components, and for which discrete financial information is available. Operating Segments are identified based on the nature of products and services. For reporting, the business has been split into two segments-Engineering and Textiles.



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

(All amounts are in ₹ lakhs, unless otherwise stated)

### 2. Property, Plant and Equipment

Particulars	Free Hold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Total
<b>Gross carrying Amount</b>							
As at 31.03.2023	1,112.82	1,385.54	3,308.04	60.04	26.02	13.78	5,906.24
Additions	—	—	70.64	—	—	—	70.64
Elimination on Disposal	—	—	—	—	0.17	—	0.17
As at 31.03.2024	1,112.82	1,385.54	3,378.68	60.04	25.85	13.78	5,976.71
Additions	—	—	55.95	—	—	0.82	56.77
Elimination on Disposal	—	—	7.28	—	—	—	7.28
<b>As at 31.03.2025</b>	<b>1,112.82</b>	<b>1,385.54</b>	<b>3,427.35</b>	<b>60.04</b>	<b>25.85</b>	<b>14.60</b>	<b>6,026.20</b>
<b>Accumulated Depreciation and Impairment</b>							
As at 31.03.2023	—	456.08	1,568.63	59.58	12.87	10.70	2,107.86
Depreciation Expense	—	62.60	167.28	0.36	1.43	0.72	232.39
Eliminated on Disposal	—	—	—	—	—	—	—
As at 31.03.2024	—	518.68	1,735.91	59.94	14.30	11.42	2,340.25
Depreciation Expense	—	58.99	177.27	0.06	1.43	0.36	238.11
Eliminated on Disposal	—	—	6.56	—	—	—	6.56
<b>As at 31.03.2025</b>	<b>—</b>	<b>577.67</b>	<b>1,906.62</b>	<b>60.00</b>	<b>15.73</b>	<b>11.78</b>	<b>2,571.80</b>
<b>Net book value</b>							
As at 31.03.2025	1,112.82	807.87	1,520.73	0.04	10.12	2.82	3,454.40
As at 31.03.2024	1,112.82	866.86	1,642.77	0.10	11.55	2.36	3,636.46

All factory land and buildings and movable fixed assets have been offered as security for the loans availed from banks. Refer Note Nos. 12 and 14(a) for details of outstanding balances. All the lands including that of the investment property, are free hold, title deeds held in the name of the Company. There is no benami holding. No revaluation of property has been done during the financial year 2024-25.

### 3. Details for Investment Property

Particulars	Free Hold Land	Buildings	Total
<b>Gross carrying Amount</b>			
As at 01.04.2023	7.27	134.92	142.19
Additions	—	22.01	22.01
Elimination on Disposal	—	—	—
As at 31.03.2024	7.27	156.93	164.20
Additions	—	—	—
Elimination on Disposal	—	—	—
<b>As at 31.03.2025</b>	<b>7.27</b>	<b>156.93</b>	<b>164.20</b>
<b>Accumulated Depreciation and Impairment</b>			
As at 01.04.2023	—	75.05	75.05
Depreciation Expense	—	11.33	11.33
Eliminated on Disposal	—	—	—
As at 31.03.2024	—	86.38	86.38
Depreciation Expense	—	11.33	11.33
Eliminated on Disposal	—	—	—
<b>As at 31.03.2025</b>	<b>—</b>	<b>97.71</b>	<b>97.71</b>
Carrying Amount as at 31.03.2025	7.27	59.22	66.49
Carrying Amount as at 31.03.2024	7.27	70.55	77.82

No revaluation of the investment property has been done. The carrying cost as at 31.03.2025 is the actual cost less depreciation till 31.03.2025. The Company's investment property consist of properties in the nature of land and buildings in India. As at March 31, 2025 and March 31, 2024, the fair values of the properties are ₹ 1212.90 Lakhs and ₹ 1,147.68 Lakhs.



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

(All amounts are in ₹ lakhs, unless otherwise stated)

### 4. Intangible Assets

	Cost	Total
<b>SOFTWARE</b>		
Gross Carrying Amount		
As at 01.04.2023	0.01	0.01
Additions / Disposals	—	—
As at 31.03.2024	0.01	0.01
Additions / Disposals	—	—
<b>As at 31.03.2025</b>	<b>0.01</b>	<b>0.01</b>
Amortisation and Impairment		
As at 01.04.2023	0.01	0.01
Additions / Disposals	—	—
As at 31.03.2024	0.01	0.01
Additions / Disposals	—	—
<b>As at 31.03.2025</b>	<b>0.01</b>	<b>0.01</b>
Net Book Value 31.03.2024	—	—
<b>Net Book Value 31.03.2025</b>	<b>—</b>	<b>—</b>

### 5. Financial Assets: Non Current

#### 5(a). Investments

Name of the Company / Security	31.03.2025		31.03.2024	
	No of Shares	Value	No of Shares	Value
<b>Quoted Investments-fully paid up (A)</b>				
<b>Investments in equity instruments</b>				
Lakshmi Machine Works Limited	1,500	239.78	1,500	227.46
Precision Fasteners Limited	10,000	—	10,000	—
IFCI Limited	200	0.08	200	0.08
State Bank of India	3,340	25.77	3,340	25.14
<b>Unquoted Investments - fully paid up (B)</b>				
<b>Investments in equity instruments - Associate Company</b>				
Veejay Sales and Services Limited	13,100	1.31	13,100	1.31
<b>Total</b>		<b>266.94</b>		<b>253.99</b>
<b>Total Non-Current Investments</b>				
Aggregate amount of quoted investments and market value		265.63		252.68
Aggregate amount of unquoted investments		1.31		1.31
Aggregate amount of impairment in value of investments.		—		—
<b>Total</b>		<b>266.94</b>		<b>253.99</b>
<b>Category wise investments - as per IND AS 109 classification</b>				
Financial Assets carried at Fair value through Profit or Loss (FVTPL)		—		—
Financial Assets carried at Amortised cost		1.31		1.31
Financial Assets carried at Fair value through Other Comprehensive Income(FVTOCI)		265.63		252.68
<b>Total</b>		<b>266.94</b>		<b>253.99</b>

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

(All amounts are in ₹ lakhs, unless otherwise stated)

**5(b) Loans / Security Deposits**

Particulars	As at 31.03.2025	As at 31.03.2024
Unsecured and considered good		
Security Deposits	160.72	119.91
Rental Advances	0.06	0.06
<b>Total</b>	<b>160.78</b>	<b>119.97</b>

Loans do not include any due from Directors/Related parties or Key Managerial personnel. All the above are unsecured, but considered good. No allowance made for doubtful debt

**6. Deferred Tax Asset / (Liabilities)**

The Deferred Tax Asset on account of MAT credit and carryover losses have not been recognised due to uncertainty in realising the same. The deferred tax liability on account of PPE or other timing difference items will get adjusted with the Carry over losses/MAT Credit entitlements.

Particulars	31.03.2025	31.03.2024
Deferred tax assets / (Liabilities)	—	—

**7. Other Non current Assets (Unsecured considered good)**

Particulars	31.03.2025	31.03.2024
Advance for Capital Expenditure	33.64	29.17
<b>Total</b>	<b>33.64</b>	<b>29.17</b>

Does not include any advance to Directors, Key Managerial personnel or Related parties.

**8. Current Assets:****8(a). Inventories**

Particulars	31.03.2025	31.03.2024
Raw Materials	362.15	486.70
Components	166.11	160.93
Scrap	5.31	8.19
Work-in-Progress	274.15	229.64
Stores and spares	56.79	57.23
Finished goods	564.10	271.11
<b>Total Inventories</b>	<b>1,428.61</b>	<b>1,213.80</b>

Mode of valuation is given in para 18 of Accounting Policies in Note No.1 .All the current assets including Inventories are offered as security for the loans availed from banks. Refer Note Nos. 12 and 14(a) for details of outstanding balances. Amount of inventories recognised as expense during the year is Rs.6,172.77 lakhs (previous year Rs.6,454.74 lakhs).

**8(b). Trade Receivables**

Particulars	31.03.2025	31.03.2024
i. Secured considered good	—	—
ii. Unsecured considered good	156.58	450.93
<b>Total Trade receivables</b>	<b>156.58</b>	<b>450.93</b>
Ageing-from due date	—	—
<6 months	150.37	450.93
6 months to 1 year	6.21	—
1-2 years	—	—
2-3 years	—	—
> 3 years	—	—

- a) Sale is generally made against payments received in advance or bills through banks with or without L/cs.  
b) Provision is made only for credit sales where bills have not been routed through bank. No provision has been made for credit loss on receivables as at 31.03.2025 as all are considered good and expected to be realised in full.  
c) There is no un billed due receivable in above.  
d) Receivables do not include any dues from Directors or Key Managerial personnel. Due from Companies in which a Director is interested as at 31.03.2025 is NIL. (PY Rs.2.06 Lakhs)

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

(All amounts are in ₹ lakhs, unless otherwise stated)

**8(c). Cash and Cash equivalents**

Particulars	31.03.2025	31.03.2024
Balance with Banks		
– in Current Accounts	–	–
– in Deposit Account with original maturity less than 3 months	–	–
Cash on hand	2.59	2.54
<b>Total</b>	<b>2.59</b>	<b>2.54</b>

**8(d). Bank Balances other than 8(c) above**

Particulars	31.03.2025	31.03.2024
Deposits for Margin money or for other commitments / security	44.00	41.72
<b>Total</b>	<b>44.00</b>	<b>41.72</b>

**8(e). Loans and Advances**

Particulars	31.03.2025	31.03.2024
Unsecured - considered good		
Advance to Staff and Workers	0.10	2.86
<b>Total Loans</b>	<b>0.10</b>	<b>2.86</b>

Loans do not include any dues from Directors, Key Managerial personnel or Related parties. There is no secured loans.

**9. Other Current Assets**

Particulars	31.03.2025	31.03.2024
Prepaid Expenses	32.21	32.65
Advance to Suppliers (Other than Capital Advances)	11.74	12.56
GST	112.04	33.49
Other receivables	72.47	129.32
<b>Total Other Current Assets</b>	<b>228.46</b>	<b>208.02</b>

Advance to Suppliers includes Rs.4.01 lakhs due from related parties.Previous year NIL. Other Current Assets do not include any dues from Related Parties/Key Managerial personnel/Directors.

**10. Equity Share Capital**

Particulars	31.03.2025	31.03.2024
<b>(i) Authorised Capital</b>		
180,00,000 equity shares of par value Rs. 10/- each	1,800.00	1,800.00
<b>(ii) Issued, Subscribed and fully paid up Capital</b>		
50,71,900 Equity shares of par value Rs. 10/- each	507.19	507.19
Subscribed but not fully paid	Nil	Nil

**(i) Reconciliation of shares Outstanding at the beginning and at the end of the Year**

	No of shares	
No of shares paid up outstanding at the beginning of reporting Year	50,71,900	50,71,900
Add : Issued or allotted during the year	Nil	Nil
Less : Shares bought back during the year	Nil	Nil
No of shares paid up outstanding at the end of reporting Year	50,71,900	50,71,900

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

(All amounts are in ₹ lakhs, unless otherwise stated)

### (ii) Terms/Rights and restrictions attached to the equity shares

The Company has only one class of equity shares having par value of Rs.10/- share. Each holder of equity shares is entitled to one vote per share.

### (iii) The details of Shareholders holding more than 5% of total shares

Particulars	31.03.2025			31.03.2024		
	No. of Shares	% to total capital	% change during the year	No. of shares	% to total capital	% change during the year
1. Sri V.J. Jayaraman*	12,35,753	24.36	Nil	12,35,753	24.36	Nil
2. Smt J. Vidya*	7,36,110	14.51	Nil	7,36,110	14.51	Nil
3. Sri J. Anand*	12,65,678	24.95	Nil	12,65,678	24.95	Nil

### (iv) Promoters Holding

All persons marked\* above are promoters - number of shares - Total

Particulars	31.03.2025	31.03.2024
Number of shares - Total	32,37,541	33,08,735
% change during the year	Nil	Nil

### Preference Share Capital

Preference Share Capital (6% non cumulative redeemable preference shares of Rs.10 each)

Authorised Capital - No of shares	3,60,00,000	3,60,00,000
Authorised Capital - Amount Rs. in Lakhs	3,600	3,600
Subscribed and Paid up	Nil	Nil

### 11. Other Equity

Particulars	31.03.2025	31.03.2024
<b>i) Securities Premium Account</b>	2,116.43	2,116.43
<b>ii) Retained Earnings</b>		
Opening	(4,648.61)	(4,193.07)
Add : Current year surplus / deficit	(331.48)	(455.54)
Closing	(4,980.09)	(4,648.61)
<b>iii) Reserve for Equity instruments and others through Other Comprehensive Income</b>		
Opening	176.62	114.83
Movement in OCI (Net) during the year	(4.40)	61.79
Closing	172.22	176.62
<b>iv) General Reserve</b>		
Opening	3,599.49	3,599.49
Additions During the year	—	—
Closing	3,599.49	3,599.49
<b>v) Capital Reserve</b>		
Opening	100.82	100.82
Current year addition/deletion	—	—
Closing	100.82	100.82
<b>vi) Cash flow hedge reserve</b>		
Opening	(1.36)	—
Current year addition/deletion	1.36	(1.36)
Closing	—	(1.36)
<b>Total Other Equity</b>	<b>1,008.87</b>	<b>1,343.39</b>

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

(All amounts are in ₹ lakhs, unless otherwise stated)

**12. Financial Liabilities - Non Current****Borrowings**

Particulars	31.03.2025	31.03.2024
<b>Secured</b>		
State Bank of India	165.09	234.46
Bank of Baroda	19.36	42.59
Indian Overseas Bank	—	18.32
<b>Total Secured Loans</b>	<b>184.45</b>	<b>295.37</b>

- a) State Bank of India - Term Loan for Rooftop Solar Project-Sanctioned Rs.320 lakhs, Interest rate 1 % over MCLR effective 9% on date of sanction. Repayable in 120 equal monthly installments starting from 1.10.2020. Outstanding as at 31.03.2025 Rs.173.89 lakhs. Rs.32 lakhs repayable within next 12 months classified as current liability. The Loan has been used for the Rooftop Solar Project.
- b) State Bank of India - Covid GECL 1.0 extension loan Rs.109.00 lakhs. Interest EBLR +75bps-effective 7.40%. Repayable in 35 monthly installments of Rs.311429/- each starting from January 2024.Outstanding as at 31/03/2025 Rs.60.57Lakhs.Rs.37.37 Lakhs classified as current liability.
- c) Bank of Baroda - Additional working capital term loan Covid BGLES1.0 Rs.69.70 lakhs. Rate of interest BRLLR plus 2.50% effective 6.5%. Repayable in 36 months (35 monthly installments of Rs. 193611/- each and last instalment Rs. 193615/-) starting from February 2024.Outstanding as at 31/03/2025 Rs.42.59 Lakhs. 23.23 lakhs is classified as current liability.
- d) Indian Overseas Bank - Working capital Term Loan under Covid ECLGS 1.0 Extension scheme Rs.60 lakhs. RLLR+1% effective 7.85%. Repayable in 36 months (35 instalments of Rs.166700/- each and last instalment of Rs.165500/- ) starting from March 2023. Outstanding as at 31.03.2025 Rs.18.32 lakhs. Rs.18.32 lakhs repayable within next 12 months classified as current liability.
- e) GECL, CCECL and GECL extension loans have been utilised for the working capital requirements.

All loans are secured by a charge on factory land and building, Plant, Equipment and current assets of the Company. No default in repayment of term loan or payment of interest

<b>Unsecured Loans</b> (From Promoters / Directors / Related Parties)	<b>31.03.2025</b>	<b>31.03.2024</b>
Loans from Directors/Promoters- Includes Rs.300 lakhs bought in as promoter's contribution for capital expenditure financed by term loans from Bank, which will be retained till the term loans to the Bank is repaid. State Bank of India has stipulated a condition that Unsecured Loans not to be repaid without their written approval and the rate of interest has to be less than that of the Bank's rate of interest. Interest have been waived by Directors upto 31.3.2028 and the discounted interest of Rs.419.75 lakhs as at 31.3.2025, arrived by fair value accounting, is shown separately, partly as non current liability and partly as current liability	1,730.69	1,700.00
<b>Total</b>	<b>1,915.14</b>	<b>1,995.37</b>

**13. Other Financial Liabilities**

Particulars	31.03.2025	31.03.2024
Provision for Employee benefits - Gratuity & Leave salary	89.76	78.18
<b>Total</b>	<b>89.76</b>	<b>78.18</b>

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

(All amounts are in ₹ lakhs, unless otherwise stated)

**14 Financial Liabilities****14(a) Short-term Borrowings**

Particulars	31.03.2025	31.03.2024
<b>Secured - Repayable on demand</b>		
Working capital facilities		
State Bank of India	659.66	494.98
Bank of Baroda	235.41	183.08
Indian Overseas Bank	27.70	62.84
Current Maturities of Long Term Debt - Secured	110.93	122.90
<b>Total Short term Borrowings</b>	<b>1,033.70</b>	<b>863.80</b>

All the above Secured loans are secured by a charge on factory land and buildings, Plant and Equipment and current assets of the Company on pari passu basis. The short term borrowings have been used for working capital requirements of the Company

**14(b) Trade Payables**

Particulars	31.03.2025	31.03.2024
Bills unpaid to MSME	177.29	585.17
Bills unpaid to other creditors	104.31	2.89
<b>Total Payables</b>	<b>281.60</b>	<b>588.06</b>
Ageing - MSME		
<1 year	177.29	585.17
Ageing - Others		
<1 year	104.31	2.89

**14(c) Other Financial Liabilities**

Particulars	31.03.2025	31.03.2024
Salary & Wages Payable	52.28	50.64
Expenses payable	136.84	137.11
Discounted Interest on interest waived Unsecured Loans	129.80	0.00
<b>Total Financial Liabilities</b>	<b>318.92</b>	<b>187.75</b>

**15. Other Current Liabilities**

Particulars	31.03.2025	31.03.2024
Security Deposit from Customers	186.89	310.54
Statutory Dues	13.89	18.07
<b>Total</b>	<b>200.78</b>	<b>328.61</b>

**16. Provisions**

Particulars	31.03.2025	31.03.2024
Provision for Employee benefits		
i) Provision for Bonus	22.63	20.33
ii) Leave encashment	0.72	1.39
iii) Gratuity	29.82	20.72
iv) Provision for Warranty	3.19	4.45
<b>Total</b>	<b>56.36</b>	<b>46.89</b>

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

(All amounts are in ₹ lakhs, unless otherwise stated)

**17. Revenue from Operations**

Particulars	31.03.2025	31.03.2024
a) Sale of Products	7,761.45	8,466.63
b) Sale of Services	33.62	38.61
c) Other operating revenues	169.86	203.86
<b>Total Revenue</b>	<b>7,964.93</b>	<b>8,709.10</b>

**18. Other Income**

Particulars	31.03.2025	31.03.2024
Interest Income* <i>(Includes Notional interest of Rs.133.75 Lakhs [Previous Year Rs.123.09 Lakhs] not actually paid on Interest waived unsecured loans, but accounted as expense in interest expense and income in other income)</i>	143.22	130.63
Dividend Income	1.58	1.85
Foreign Exchange Loss/(gain)	26.29	27.95
Gain/Loss on sale of Asset	4.72	—
Rent receipts	136.04	117.52
Miscellaneous Income/(expenses)	8.14	65.43
<b>Total Other Income</b>	<b>319.99</b>	<b>343.38</b>

**19. Cost of materials consumed**

Particulars	31.03.2025	31.03.2024
Raw materials - Ferrous	158.73	172.32
Raw materials - Non-Ferrous	52.37	42.31
Raw materials - Castings	47.71	48.39
Raw materials - Non metals	10.45	9.05
Components & Others	734.79	909.81
Cotton Consumed	5,168.72	5,272.86
<b>Materials consumed</b>	<b>6,172.77</b>	<b>6,454.74</b>

**20. Changes in Inventories of Finished goods, Work-in process and Stock in trade**

Particulars	31.03.2025	31.03.2024
Opening stock	508.94	766.66
Closing stock	843.56	508.94
<b>Change in inventory</b>	<b>(334.62)</b>	<b>257.72</b>

**21. Employee Benefits**

Particulars	31.03.2025	31.03.2024
Salary and Allowances	947.09	994.87
Contribution to Provident Fund	44.99	46.90
Staff and Labour Welfare expenses	85.78	90.27
Bonus	28.23	20.87
Gratuity	15.98	11.89
<b>Total Employee Cost</b>	<b>1,122.07</b>	<b>1,164.80</b>



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

(All amounts are in ₹ lakhs, unless otherwise stated)

### 22. Finance Costs

Particulars	31.03.2025	31.03.2024
Interest expense*	230.36	222.12
<i>(Includes Notional interest of Rs.133.75 Lakhs not actually paid on Interest waived unsecured loans, but accounted as expense in interest expense and income in other income)</i>		
Other borrowing costs(Commitment charges for under utilisation of the limits and other charges and fees for loan processing , documentation, property valuation, title verification and inspection relating to the loans.	19.71	15.10
<b>Total Finance Cost</b>	<b>250.07</b>	<b>237.22</b>

### 23. Other Expenses

Particulars	31.03.2025	31.03.2024
Stores consumed	153.43	176.97
Erection & Service Charges	1.36	3.92
Power and Fuel	463.87	430.85
Freight	85.07	75.40
Printing and Stationery	9.34	5.72
Postage and Telephone	6.11	7.81
Travelling and Vehicle Maintenance	46.61	63.64
Insurance	9.97	10.73
Rent	1.42	1.54
Bank Charges	9.73	5.53
Licences and Taxes	57.85	41.13
Sales commission	96.22	137.07
Sales promotion & Advertisement expenses	2.99	7.15
Subscription and periodicals	3.97	4.69
Directors' sitting fees	2.15	1.90
Audit fees-For Statutory Audit and Limited review	3.05	3.05
Legal and Professional charges	14.41	22.21
Repairs and Maintenance-Buildings	7.53	10.16
Repairs and Maintenance-Machinery	173.05	155.80
Repairs and Maintenance-Others	7.14	7.83
Miscellaneous Expenses	0.07	0.01
Donations	0.15	—
<b>Total Other Expenses</b>	<b>1,155.49</b>	<b>1,173.11</b>

### 24. Payments to Auditors

Particulars	For the year ended 31.03-2025	For the year ended 31.03-2024
<b>Audit Fees</b>		
For Statutory Audit and Limited Review	3.05	3.05
<b>Total</b>	<b>3.05</b>	<b>3.05</b>



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

(All amounts are in ₹ lakhs, unless otherwise stated)

25. As defined under Micro, small and Medium Enterprises Development Act 2006, the disclosure in respect of the amount payable to such enterprises as at 31.03.2025 has been made in the financial statements based on information received and available with the company.

Particulars	As at 31-Mar-25	As at 31-Mar-24
a) The Principal amount due there on remaining unpaid to any supplier as at the end of each accounting year	177.29	585.17
b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the payment made to the supplier beyond the appointed day during each accounting year	—	—
c) The amount of interest due and payable for the period of delay in making payment (Which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	—	—
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	—	—
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the dues are actually paid for the purpose of disallowance under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	—	—

### 26. Reconciliation of effective tax rate

Particulars	31/03/25	31/03/24
<b>Current Tax</b>		
In respect of current year	—	—
<b>Deferred Tax</b>	(1.18)	23.29
<b>Total income tax expense recognized in the current year</b>	<b>(1.18)</b>	<b>23.29</b>
The reconciliation between the provision of income tax of the company and amounts computed by applying the indian statutory income tax rate to profit before tax is as follows		
<b>Current tax:</b>		
Profit before tax	(330.30)	(478.83)
Enacted income tax rate	27.82%	27.82%
Computed Expected Tax Expenses		—
<b>Effect of:</b>		
Depreciation Debited in Profit and Loss account	69.39	67.81
Donation	0.04	—
Provision for gratuity	2.74	1.90
Leave Encashment	—	2.54
Bonus Provision made in the Books	6.30	5.81
Profit on sale of assets	1.31	—
Depreciation as per IT Rules	(40.32)	(44.46)
Bonus claimed on payment basis	(5.65)	(6.15)
Unabsorbed Depreciation and carry forward loss	(31.45)	(27.45)
<b>Income Tax expense recognized in the profit or loss (Current Tax)</b>	<b>—</b>	<b>—</b>
<b>Deferred Tax relating to items of OCI adjusted in Profit &amp; loss account*</b>		
Disallowance u/s 43B	(5.30)	—
Fair valuation of Investments	3.60	23.81
Forex Cash Flow Hedging	0.52	(0.52)
<b>Income tax expense recognized in the profit or loss (Deferred Tax)</b>	<b>(1.18)</b>	<b>23.29</b>

Note: \*The deferred tax asset on account of MAT credit and carryover losses have not been recognized due to uncertainty in realising the same. The deferred tax liability on Property, Plant and Equipment or other timing difference items will get adjusted with carryover losses/MAT Credit entitlements.

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

(All amounts are in ₹ lakhs, unless otherwise stated)

### 27. Contingent liabilities and Capital Commitments

Particulars	As at 31-Mar-25	As at 31-Mar-24
<b>Contingent Liabilities</b>		
Claims against the company not acknowledged as debts		
i) Arbitration awards against the Company challenged in the Court of law	189.01	178.15
ii) Claim from the buyer of the Textile unit sold by the company in respect of workers retrenched before sale of the textile unit at Udumalpet with interest as per arbitration award contested by the Company. The dispute is under appeal with Hon'ble High court of Madras. While granting stay the Hon'ble High court has Ordered the Company to deposit a sum of Rs. 25 Lakhs.	50.08	47.00
iii) Cross subsidy claim for power purchase from third parties relating to earlier years.	37.92	37.92
iv) Demand for reversal of TAN Vat input credit relating to the goods sold outside Tamilnadu against C-form. Department has gone on appeal in Hon'ble High Court, Chennai (Excl. Int)	9.17	—
<b>Total Contingent Liabilities</b>	<b>286.18</b>	<b>263.07</b>

### 28. Earnings Per Share

Particulars	For the year ended 31-Mar-25	For the year ended 31-Mar-24
Profit after taxation	(331.48)	(455.54)
Equity shares outstanding at the end of the year (In No.'s)	50,71,900	50,71,900
Weighted average number of Equity shares outstanding during the year	50,71,900	50,71,900
Earnings per share(Basic)(In Rs)	(6.54)	(8.98)
Earnings per share(Diluted)(In Rs)	(6.54)	(8.98)
Nominal value per share(Rs)	10.00	10.00

29. Figures have been rounded off to Rs. in lakhs and previous year figures have been regrouped / rearranged wherever necessary.



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

(All amounts are in ₹ lakhs, unless otherwise stated)

### 30. Segment information (Primary segment information [business segments])

Particulars	2024-25					2023-24				
	Engineering	Textile	Unallocated	Inter Segment eliminations	Total	Engineering	Textile	Unallocated	Inter Segment eliminations	Total
a) Revenue	1,692.27	6,276.04	–	–	<b>7,968.31</b>	2,151.89	6,566.76	–	–	8,718.65
b) Inter Segment sales	–	–	–	(3.38)	<b>(3.38)</b>	–	–	–	(9.55)	(9.55)
Total Revenue	1,692.27	6,276.04	–	(3.38)	<b>7,964.93</b>	2,151.89	6,566.76	–	(9.55)	8,709.10
c) Result	22.51	(344.77)	–	–	<b>(322.26)</b>	(103.19)	(416.07)	–	–	(519.26)
Add: Unallocated income (net of expenditure)	–	–	–	–	<b>242.03</b>	–	–	–	–	277.65
<b>Profit before interest and tax</b>	–	–	–	–	<b>(80.23)</b>	–	–	–	–	(241.61)
Interest	–	–	–	–	<b>250.07</b>	–	–	–	–	237.22
<b>Profit before tax</b>	–	–	–	–	<b>(330.30)</b>	–	–	–	–	(478.83)
<b>Tax expenses</b>										
- Current tax - Prior years	–	–	–	–	–	–	–	–	–	–
- Deferred tax	–	–	–	–	<b>1.18</b>	–	–	–	–	(23.29)
- Total	–	–	–	–	<b>1.18</b>	–	–	–	–	(23.29)
<b>Profit for the year</b>	–	–	–	–	<b>(331.48)</b>	–	–	–	–	(455.54)
d) Assets	1,257.26	3,988.66	615.98	–	<b>5,861.90</b>	1,113.78	4,306.09	636.89	–	6,056.76
e) Liabilities	1,023.36	3,156.14	166.34	–	<b>4,345.84</b>	901.94	3,183.72	120.52	–	4,206.18
f) Capital assets acquired during the year	56.77	–	–	–	<b>56.77</b>	48.90	21.74	22.01	–	92.65
g) Depreciation, impairment and amortisation	33.64	202.97	12.83	–	249.44	39.98	191.00	12.74	–	243.72
h) Other non-cash charges except depreciation, impairment and amortisation	–	–	–	–	–	–	–	–	–	–

Revenue from Engineering division is on account of sales of textile machinery and spares and the textile division revenue is on account of cotton yarn and fabrics. Approximately INR Rs.3,377.37 lakhs has been realised from exports (Engineering Division Rs.546.04 lakhs and Textile Division Rs.2,831.33 lakhs). Previous year Total exports Rs.3,128.61 lakhs. (Engineering Division Rs. 44.67 lakhs and Textile Division Rs.3,083.94 lakhs). There are four customers contributing individually to more than 10% of total revenue in 2024-25. The largest turnover to a single customer is Rs.1,844.72 lakhs. The largest turnover to a single customer is Rs. 2,169.34 lakhs in previous year.

### Reconciliations to amounts reflected in the financial statements

Reconciliation of Profit	31-Mar-25	31-Mar-24	Reconciliation of Assets	31-Mar-25	31-Mar-24
<b>Segment profit</b>	<b>(322.26)</b>	<b>(519.26)</b>	Segment operating assets	5,245.92	5,419.87
Dividend Income	1.58	1.85	Corporate Assets - Property & Investments	550.08	573.15
Depreciation on Corporate Assets	(12.83)	(12.74)	Cash and Cash equivalents	46.59	44.26
Windmill Income			TDS /MAT receivable	19.31	19.48
Other Expenses-Audit fees stationery, Professional Charges etc.,	(25.98)	40.39	Total assets	5,861.90	6,056.76
Income from Investment Property (net of expenses)	136.04	117.52			
Interest Income	143.22	130.63	<b>Reconciliation of Liabilities</b>	<b>31-Mar-25</b>	<b>31-Mar-24</b>
<b>Profit before Interest and Tax</b>	<b>(80.23)</b>	<b>(241.61)</b>	Segment operating liabilities	4,179.50	4,085.66
			Other Current Liabilities - Corporate	166.34	120.52
			Total liabilities	4,345.84	4,206.18



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

(All amounts are in ₹ lakhs, unless otherwise stated)

### 31. RELATED PARTY DISCLOSURES

**(i) Companies/Firms with which the company had transactions during the year.**

1. M/s Veejay Sales and Services Limited
2. M/s Veejay Marketing
3. M/s Sree Meenakshi And Co
4. M/s Lakshmi Card Clothing Manufacturing Co.Ltd
5. M/s Augustan Knitwear P. Ltd.
6. Smt Sasirekha Vengatesh

**(ii) Companies/Firms with which the company had no transactions during the year.**

1. M/s The Krishna Mills Private Limited
2. M/s Team Tiger Enterprises Pvt Ltd

**(iii) Key Management Personnel**

1. Sri J.Anand, Managing Director
2. Sri D.Ranganathan, Whole Time Director
3. Sri V.K.Swaminathan, Company Secretary

**(B) Related party transactions**

Particulars	Associated Companies/ Firms	Key Managerial personnel	Relative of Key Managerial Personnel	Total
Purchase of goods and services-raw materials, components and engineering job works	<b>50.50</b>			<b>50.50</b>
	<i>75.18</i>			<i>75.18</i>
Sale of machinery, spares, raw materials, components and job works	<b>13.75</b>			<b>13.75</b>
	<i>24.09</i>	–	–	<i>24.09</i>
Rent paid	–		<b>1.23</b>	<b>1.23</b>
	–		<i>1.23</i>	<i>1.23</i>
Managerial Remuneration	–	<b>32.58</b>	–	<b>32.58</b>
	–	<i>44.14</i>	–	<i>44.14</i>
Interest Expense*	–	–	–	–
	–	–	–	–
Unsecured loans outstanding at year end*	–	<b>324.75</b>	<b>1,825.69</b>	<b>2,150.44</b>
	–	<i>304.39</i>	<i>1,395.61</i>	<i>1,700.00</i>
Interest accrued Payable	–	–	–	–
	–	–	–	–
Outstanding due from the company	<b>7.43</b>			<b>7.43</b>
	–			–
Outstanding due to the company	<b>7.88</b>			<b>7.88</b>
	<i>2.06</i>	–	–	<i>2.06</i>

\* Notional interest on loans from promoters charged and the same offered as other income Rs.133.75 lakhs PY Rs.123.09 lakhs. Figures in Italics represent prior period figures.

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

(All amounts are in ₹ lakhs, unless otherwise stated)

**32. As per IND AS 19 “Employee Benefits”, the disclosure of Employee benefits are given below:****Defined benefit plan and other Long term Employee benefits****Gratuity Plan**

The company operates gratuity plan wherein every employee is entitled to benefit equivalent to 15 days salary last drawn for each completed year of service. The same is payable at the earlier of retirement or termination. The benefit vests after five years of continuous service.

**Reconciliation of opening and closing balance of the present value of defined benefit obligation**

Particulars	Leave Encashment Unfunded		Gratuity Unfunded	
	As at 31-Mar-25	As at 31-Mar-24	As at 31-Mar-25	As at 31-Mar-24
Projected benefit obligation at the beginning of the year	16.61	9.77	85.79	79.38
Service cost	3.19	5.77	10.20	6.29
Interest cost	0.92	0.65	5.93	5.76
Past Service cost	—	—	—	—
Remeasurement (Gain)/Loss	(5.37)	2.72	18.89	(0.16)
Benefits paid	(7.63)	(2.30)	(6.13)	(5.48)
Projected benefit obligation at the end of the year	7.72	16.61	114.68	85.79

**Amount recognised in Balance Sheet**

Particulars	Leave Encashment Unfunded		Gratuity Unfunded	
	As at 31-Mar-25	As at 31-Mar-24	As at 31-Mar-25	As at 31-Mar-24
Projected benefit obligation at the end of the year	7.72	16.61	114.68	85.79
Fair value of plan assets at the end of the year	—	—	2.10	2.11
Amount of liability recognised in the Balance sheet	7.72	16.61	112.58	83.68
Current Liability	0.72	1.39	29.82	20.72
Non Current Liability	7.00	15.22	82.76	62.96

**Expense Recognised in Statement of Profit and Loss Account**

Particulars	Leave Encashment Unfunded		Gratuity Unfunded	
	As at 31-Mar-25	As at 31-Mar-24	As at 31-Mar-25	As at 31-Mar-24
Service cost	3.19	5.77	10.20	6.29
Interest cost	0.92	0.65	5.93	5.76
Past Service cost	—	—	—	—
Expected return on plan assets	—	—	(0.15)	(0.16)
Actuarial Gain/loss due to demographic Assumption changes in defined benefit obligation	—	0.08	—	0.29
Actuarial Gain/loss due to Financial assumption changes in defined benefit obligation	0.19	0.35	1.92	1.31
Actuarial Gain/loss due to Experience adjustment changes in defined benefit obligation	(5.56)	2.29	16.97	(1.76)
Return on plan assets (Greater)/lesser than Discount rate	—	—	0.16	0.16
Total cost recognised in Profit and Loss account and OCI	(1.26)	9.14	35.03	11.89
Cost recognised in Profit and loss Account	(1.26)	9.14	15.98	11.89
Remeasurement effect recognised in OCI	—	—	19.05	—
Total defined Benefit Cost	(1.26)	9.14	35.03	11.89

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

(All amounts are in ₹ lakhs, unless otherwise stated)

### Summary of Actuarial Assumptions

Particulars	Leave Encashment Unfunded		Gratuity Unfunded	
	As at 31-Mar-25	As at 31-Mar-24	As at 31-Mar-25	As at 31-Mar-24
Mortality rate(LIC)				
Discount rate p.a	6.75%	7.17%	6.75%	7.17%
Expected rate of return on plan assets p.a	—	—	6.75%	7.17%
Rate of escalation of salary p.a	5%	5%	5%	5%
Attrition	10%	10%	10%	10%
Leave accounting and consumption technique	LIFO	LIFO	NA	NA
Proportion of leave availment	5%	5%	NA	NA
Proportion of encashment in Service/ Lapse	—	—	NA	NA
Proportion of encashment on separation	95%	95%	NA	NA

The estimate of rate of escalation in salary considered in actuarial valuation, taken into account inflation, seniority, promotion and other relevant factors. The discount rate has been chosen by reference to market yields on Government Bonds. The above information is certified by actuary.

The overall expected rate of return on assets is determined based on the market prices prevailing on the data applicable to the period over which the obligation is to be settled.

### The expected cash flows over the next five years are as follows:

Year	Leave Encashment	Gratuity
1 year	0.38	8.49
2 to 5 years	4.48	56.95
6 to 10 years	1.20	16.89

### Sensitivity Analysis of Significant Actuarial Assumptions

Particulars	Leave Encashment	
	March 31, 2025	March 31, 2024
	Change in Defined benefit Obligation	
Discount rate + 100 basis points	(0.06)	(0.06)
Discount rate - 100 basis points	0.06	0.06
Salary growth rate + 100 basis points	0.06	0.06
Salary growth rate - 100 basis points	(0.05)	(0.05)

Particulars	Gratuity	
	March 31, 2025	March 31, 2024
	Change in Defined benefit Obligation	
Discount rate + 100 basis points	(0.04)	(0.04)
Discount rate - 100 basis points	0.04	0.04
Salary growth rate + 100 basis points	0.03	0.04
Salary growth rate - 100 basis points	(0.03)	(0.03)

While one of the parameters mentioned above is changed by 100 basis points, other parameters kept unchanged for evaluating the defined benefit obligation. While there is no change in the method used for sensitivity analysis from previous period, the change in assumptions now considered are with reference to the current assumptions.

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

(All amounts are in ₹ lakhs, unless otherwise stated)

**33. LIQUIDITY / PROFITABILITY RATIOS**

Particulars	Current Year	Previous Year
<b>A. Current Ratio</b>		
Current Assets - A	<b>1,879.65</b>	1,939.35
Current Liabilities - B	<b>1,891.36</b>	2,015.11
Current Ratio A/B	<b>0.99</b>	0.96
Variance compared to previous year	<b>3%</b>	
Reasons: Due to decrease in Current Assets and Current Liabilities		
<b>B. Debt Equity Ratio</b>		
Total Liabilities Excluding Equity - A	<b>4,345.84</b>	4,206.18
Capital and other Equity - B	<b>1,516.06</b>	1,850.58
Debt Equity Ratio-A/B	<b>2.87</b>	2.27
Variance Compared to previous year	<b>26%</b>	
Reasons: Due to Reduction in networth on Account of Losses		
<b>C. Debt Service Coverage Ratio</b>		
Profit After Tax Plus Interest Plus Deferred Tax + Depreciation - A	<b>169.21</b>	2.11
Interest Out Flow Plus Term Loan Repayments during the year - B	<b>372.97</b>	321.83
Debt Service Coverage (A/B)	<b>0.45</b>	0.01
Variance compared to previous year	<b>6,820%</b>	
Reasons: Due to Reduced Losses and Increase in repayments and Interest during the year		
<b>D. Return on Equity Ratio</b>		
Profit after Taxes-A	<b>(331.48)</b>	(455.54)
Average of Total Equity	<b>1,683.32</b>	2,048.14
Return on Equity Ratio (A/B)	<b>(0.20)</b>	(0.22)
Usually this Ratio is calculated only when the Company has Net Profit. As there Is Loss in the Current Year, the Ratio is Negative and is not given	<b>(11%)</b>	
<b>E. Inventory Turnvoer Ratio</b>		
Cost of Goods Sold - B	<b>6,172.77</b>	6,454.74
Average Inventory	<b>1,321.21</b>	1,490.68
Inventory Turnover Ratio - A/B	<b>4.67</b>	4.33
Variance compared to Previous Year	<b>8%</b>	
Reason: Due to decrease in average inventory		
<b>F. Debtors Turnover Ratio</b>		
Total Revenue - A	<b>8,284.92</b>	9,052.48
Credit Sales in above - B	<b>3,094.00</b>	2,883.16
Average Debtors - C	<b>303.76</b>	249.01
Debtors Turnvoer Ratio B/C	<b>10.19</b>	11.58
Variance compared to Previous Year	<b>(12%)</b>	
Reason: Due to decrease in average inventory		





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

(All amounts are in ₹ lakhs, unless otherwise stated)

Particulars	Current Year	Previous Year
<b>G. Trade Payable Turnover Ratio</b>		
Trade Payable Average - A	<b>434.83</b>	345.60
Total Purchases - B	<b>6,207.75</b>	6,339.59
Trade Payable Turover Ratio B/A	<b>14.28</b>	18.34
Variance compared to Previous Year	<b>(22%)</b>	
Reason: The Payable Turnover Ratio is less as the Average Payable Level has increased in the Current Year		
<b>H. Net Capital Turnover Ratio</b>		
Average of Net Working Capital (Current Assets - Current Liabilities)	<b>(43.74)</b>	60.46
Sales Turnover - B	<b>7,964.93</b>	8,709.10
Net Capital Turnover Ratio (B/A)	<b>(182.12)</b>	144.05
Reason: Due to Reduction in Average Net Working Capital	<b>(226%)</b>	
<b>I. Net Profit Ratio</b>		
Profit After Taxes - A	<b>(331.48)</b>	(455.54)
Sales Turnover - B	<b>7,964.93</b>	8,709.10
Net Profit Ratio - (A/B) in %	<b>(4%)</b>	(5%)
Variance compared to Previous Year	<b>(20%)</b>	
Reason: Due to decrease in Loss in the Current Year		
<b>J. Return on Capital Employed</b>		
Profit Before Taxes plus Interest - A	<b>(80.23)</b>	(241.61)
Equity + Long Term Borrowings (Average of Opening and Closing) - B	<b>3,638.58</b>	4,010.97
Return on Capital Employed - (A/B)	<b>(0.02)</b>	(0.06)
Variance compared to Previous Year	<b>(63%)</b>	
Reason: Due to decrease in Loss in the Current Year		
<b>K. Return on Investment</b>		
Net Profit after Taxes - A	<b>(331.48)</b>	(455.54)
Average Capital employed - B	<b>3,638.58</b>	4,010.97
Return on Investment	<b>(9%)</b>	(11%)
Variance compared to Previous Year	<b>(20%)</b>	
Reason: Due to decrease in Loss in the Current Year		

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

(All amounts are in ₹ lakhs, unless otherwise stated)

**34. Financial Instruments Risk and review****Financial Instruments**

The carrying value and fair value of financial instruments by categories as of March 31, 2025 is as follows:

Particulars	Fair Value through P&L	Fair Value through Comprehensive Income	Amortised Cost	Total Carrying Amount
<b>Assets</b>				
Cash and Cash Equivalents	–	–	2.59	2.59
Other Balances with Bank	–	–	44.00	44.00
Trade receivables	–	–	156.58	156.58
Loans	–	–	160.88	160.88
Investments		265.63	1.31	266.94
Other Financial Assets	–	–	–	–
<b>Total</b>	<b>–</b>	<b>265.63</b>	<b>365.36</b>	<b>630.99</b>
<b>Liabilities</b>				
Trade and Other Payables	–	–	281.60	281.60
Borrowings	–	–	2,948.84	2,948.84
Other Financial Liabilities	–	–	768.50	768.50
<b>Total</b>	<b>–</b>	<b>–</b>	<b>3,998.94</b>	<b>3,998.94</b>

The carrying value and fair value of financial instruments by categories as of March 31, 2024 is as follows:

Particulars	Fair Value through P&L	Fair Value through Comprehensive Income	Amortised Cost	Total Carrying Amount
<b>Assets</b>				
Cash and Cash Equivalents	–	–	2.54	2.54
Other Balances with Bank	–	–	41.72	41.72
Trade receivables	–	–	450.93	450.93
Loans	–	–	122.83	122.83
Investments		252.68	1.31	253.99
Other Financial Assets	–	–	–	–
<b>Total</b>	<b>–</b>	<b>252.68</b>	<b>619.33</b>	<b>872.01</b>
<b>Liabilities</b>				
Trade and Other Payables	–	–	588.06	588.06
Borrowings	–	–	2,859.17	2,859.17
Other Financial Liabilities	–	–	305.27	305.27
<b>Total</b>	<b>–</b>	<b>–</b>	<b>3,752.50</b>	<b>3,752.50</b>

**Fair Value Hierarchy:**

The following table shows the levels in the fair value hierarchy as the end of reporting period.

	As at March 31, 2025	As at March 31, 2024
<b>Assets</b>		
Investments	Level 1	Level 1
<b>Liabilities</b>		
Borrowings - Optionally convertible loan	Level 2	Level 2

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

(All amounts are in ₹ lakhs, unless otherwise stated)

### Financial Risk Management Objectives and Policies

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

The company is exposed to the following risks from its use of financial instruments

- Market Risk
- Credit Risk
- Liquidity Risk

The company's Board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This note presents information about the risks associated with its financial instruments, the company's objectives, policies and processes for measuring and managing risk, and the Company's management of Capital.

### Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

#### a) Foreign Currency Exchange Rate Risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. The risks primarily relate to fluctuations in US Dollar, Euro, Great Britain Pound, and Japanese Yen against the respective functional currencies of Veejay Lakshmi Engineering Works Limited.

The following analysis has been worked out based on the net exposures for Veejay Lakshmi Engineering Works Limited as of the date of statements of financial position which could affect the Statements of profit or loss and other comprehensive income and equity.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary Liabilities at the end of the reporting period are as follows:

As at March 31, 2025	USD	EURO	JPY	GBP
<b>Financial Assets</b>				
Trade receivables	136.81	—	—	—
<b>Total</b>	<b>136.81</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Financial Liabilities</b>				
Trade Payables	—	—	—	—
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>As at March 31, 2024</b>				
<b>Financial Assets</b>				
Trade receivables	438.29	—	—	—
<b>Total</b>	<b>438.29</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Financial Liabilities</b>				
Trade Payables	—	—	—	—
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

### Credit Risk

The company is exposed to credit risk as a result of risk of counterparties defaulting on their obligations. The company's exposure to credit risk primarily relates to Cash and Cash Equivalents, other bank balances, trade receivables, loans and other financial assets.

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

(All amounts are in ₹ lakhs, unless otherwise stated)

The customer's credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management.

Credit quality of a customer is assessed based on the individual credit limits that are defined in accordance with the assessment and outstanding customer receivables are regularly monitored. The company monitors and limits its exposure to credit risk on a continuous basis.

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

<b>Exposure to Credit Risk</b>	<b>31-03-2025</b>	<b>31-03-2024</b>
The carrying amount of financial assets represents the maximum credit exposure. Maximum exposure to credit risk being the total of the carrying amount of trade receivables, investments, cash and cash equivalents, other balance with banks, loans and other financial assets.	<b>630.99</b>	872.01

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The maximum exposure to credit risk as at reporting date is primarily from trade receivables and the movement in allowance for impairment in respect of trade and other receivables during the year was as follows:

Trade Receivables	<b>156.58</b>	450.93
Allowance for doubtful debts	—	—

**Liquidity Risk**

The company is exposed to liquidity risk related to its ability to fund its obligations as they become due. The company monitors and manages its liquidity risk to ensure access to sufficient funds to meet operational and financial requirements. The company monitors cash balances daily. In relation to Company's liquidity risk, the company's policy is to ensure, as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions as they fall due while minimizing finance costs without incurring unacceptable losses or risking damage to Company's reputation.

The Company's principle source of liquidity is cash and cash equivalents and the cash flow is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements and accordingly, no risk is perceived.

**Financial Liabilities**

<b>As at March 31, 2025</b>	<b>Due in 1 year</b>	<b>1-2 years</b>	<b>3-5 years</b>	<b>&gt;5 years</b>
Borrowings	1,033.70	74.61	96.00	1,744.53
Trade payables	281.60	—	—	—
Other Financial Liabilities	478.55	139.54	150.41	—
<b>Total</b>	<b>1,793.85</b>	<b>214.15</b>	<b>246.41</b>	<b>1,744.53</b>
<b>As at March 31, 2024</b>				
Borrowings	863.80	109.88	139.60	1,745.89
Trade payables	588.06	—	—	—
Other Financial Liabilities	305.27	—	—	—
<b>Total</b>	<b>1,757.13</b>	<b>109.88</b>	<b>139.60</b>	<b>1,745.89</b>

**Other Statutory Information**

- The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries."



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

(All amounts are in ₹ lakhs, unless otherwise stated)

2. The Company has not advanced or loaned or invested funds to any persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries."
3. The company did not undertake transactions that were not recorded in the books of accounts and which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
4. The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
5. The Company has not made investments in more than one layer of body corporate in accordance with provisions of clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.
6. The Company has not been declared a Wilful Defaulter by its lenders.
7. No proceedings have been initiated against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
8. The company has not traded in cryptocurrencies or virtual currencies during the year.
9. The Company has not entered into transactions with Companies that have been struck off the Registrar of Companies u/s 248 of the Companies Act, 2013 during the financial year.
10. The details of quarterly statements of stock and book debts filed by the Company with the banks have been given below together with the reason for the differences

Quarters	Figures as per books of Accounts (A)	Figures Furnished To The Bank (B)	Difference (B-A)	Nature of difference & Remarks
<b>Stock</b>				
Q1	1,404.48	1,396.02	8.46	Difference due to exclusion of items not eligible for finance in the statement given to bank
Q2	1,569.19	1,559.05	10.14	
Q3	1,431.49	1,423.61	7.88	
Q4	1,428.61	1,431.51	(2.9)	Difference due to submission of estimated figures to bank
<b>Trade Receivables</b>				
Q1	441.9	318	123.9	Difference due to exclusion of items not eligible for finance in the statement given to bank
Q2	689.78	691	(1.22)	Difference due to submission of estimated figures to bank
Q3	640.19	589	51.19	Difference due to exclusion of items not eligible for finance in the statement given to bank
Q4	156.58	141	15.58	

11. The borrowings availed by the company during the financial year have been used for the specific purposes for which they were availed.

For and on behalf of the Board of Directors of  
Veejay Lakshmi Engineering Works Limited

(SD/-) V.J. JAYARAMAN (SD/-) J. ANAND (SD/-) D. RANGANATHAN (SD/-) V.K. SWAMINATHAN  
Chairman Managing Director Whole-Time Director Company Secretary  
DIN No:00137340 DIN No: 00137425 DIN No:00137566  
Place : Coimbatore  
Date : 29.05.2025

As per our report of even date  
For N.R.D. Associates  
Chartered Accountants, FRN No. 005662S

T.M. MALAVIKA  
Partner  
M.No: 231017

**INDEPENDENT AUDITOR'S REPORT****To the Members of Veejay Lakshmi Engineering Works Limited  
REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS:****Opinion**

We have audited the accompanying consolidated financial statements of **VEEJAY LAKSHMI ENGINEERING WORKS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2025, the Loss and total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of consolidated financial statements in accordance with the Standards on Auditing (SAs) specified u/s 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are Independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAI's Code of Ethics.

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

**Key Audit Matters**

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<b>1. Litigations - Contingencies</b> The company has ongoing litigations with various authorities and third parties which would have significant impact on the results, if the potential exposures were to materialize. The amounts involved are significant, and the application of accounting standards to determine the amount, if any, to be provided as liability or disclosed as a contingent liability is inherently subjective.	<b>Principal Audit Procedures Performed</b> Our audit approach was a combination of test of controls and substantive procedures including : a) Assessing the appropriateness of the design and implementation of the company's controls over the assessment of litigations and completeness of disclosures. b) We tested the design and operating effectiveness of the company's key controls over the identification, estimation, monitoring and accounting/ disclosure of Provisions for disputed matters and contingent liabilities.

Key Audit Matter	Auditor's Response
Claims against the company not acknowledged as debts are disclosed in the financial statements by the company after a careful evaluation of the facts and legal aspects of the matter involved. The outcome of such litigation is uncertain and the position taken by management involves significant judgment and estimation to determine the likelihood and/or timing of cash outflows and the interpretation of preliminary and pending court rulings. Refer note 27 to the Consolidated Financial Statements.	<p>c) For significant cases, where the company has recognized provision, we assessed the determination of amounts recognized.</p> <p>d) For cases where provision was not recognized by the Company, we assessed the disclosure made in the financial statements.</p>

### Information other than the Consolidated Financial Statements and the Auditor's report thereon

The Company's Board of directors is responsible for preparation of other information. The other information comprises the information included in the management discussion and analysis, Board's Report including annexures to Board's Report, Business responsibility report, Corporate Governance Report and Shareholder's information, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report the fact. We have nothing to report in this regard.

### Responsibilities of Management and Those charged with Governance for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a



guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of identified misstatements in the financial statements.

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

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

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



**Other Matters**

We did not audit the financial statements of Veejay Sales and Services Limited, an associate whose financial statements reflect the Company's share of net profit after tax of Rs. 2.18 lakhs and share of Comprehensive income of Rs. 0.06 lakhs for the year ended March 31 2025. These financial statements have been audited by other auditor whose report have been furnished to us by the management and our opinion on the consolidated, in so far as it relates to the amounts and disclosures included in respect of the associate and our report in terms of subsections (3) and (11) of Section 143 of the Act, in so far it related to the aforesaid associate, is based solely on the reports of the auditor.

Our opinion on the consolidated financial statements, and our report on other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of other auditors.

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

- 1) As required by Section 143 (3) of the Act, based on our audit we report that :
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated statement of Changes in Equity and the consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid consolidated financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) rules, 2015 as amended.
  - e) On the basis of the written representations received from the directors as on March 31, 2025, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended :
 

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of Section 197 of the Act read with Schedule V to the act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended 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 position in its consolidated Financial Statements –Refer Note No.27 on Contingent Liability to the consolidated financial statements;
    - ii) The company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
    - iii) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced



or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- iv) The Company and its associates incorporated in India has not declared or paid any dividend during the year and has not proposed final dividend for the year.
- v) The Reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is applicable from April 1, 2023.

Based on our examination which included test checks, the company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software.

Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

- 2) With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) order, 2020 (the "Order"/"CARO") issued by the central government in terms of section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the company and based on the CARO reports issued by the other auditors of the associate, included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For **N.R.D ASSOCIATES**

Chartered Accountants

Firm Registration No.: 005662S

**(Sd/-) Malavika T.M.**

Partner

Membership No. 231017

UDIN: 25231017BMLLSI5469

Place : Coimbatore  
Date : May 29, 2025

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirement' in the Independent Auditor's Report of even date to the members of Veejay Lakshmi Engineering works Limited on the Consolidated Financial Statements for the year ended 31-03-2025]

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

We have audited the internal financial controls over financial reporting of Veejay Lakshmi Engineering Works Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for the Internal Financial Controls**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;



- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

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

For **N.R.D ASSOCIATES**

Chartered Accountants

Firm Registration No.: 005662S

**(Sd/-) Malavika T.M.**

Partner

Membership No. 231017

UDIN: 25231017BMLLSI5469

Place : Coimbatore

Date : May 29, 2025



## CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2025

Particulars	Note No.	As at 31/03/2025	As at 31/03/2024
		Amount ₹ in lakhs	
<b>ASSETS</b>			
<b>I. Non-current Assets</b>			
a) Property Plant and Equipment	2	3,454.40	3,636.46
b) Capital Work in Process		—	—
c) Investment Property	3	66.49	77.82
d) Intangible Assets	4	—	—
e) Financial Assets			
(i) Investments	5(a)	428.90	412.31
(ii) Loans/Security Deposits	5(b)	160.78	119.97
f) Deferred Tax Asset (Net)	6	—	—
g) Other Non Current Assets	7	33.64	29.17
	<b>Total</b>	<b>4,144.21</b>	<b>4,275.73</b>
<b>II. Current Assets</b>			
a) Inventories	8 (a)	1,428.61	1,213.80
b) Financial Assets			
(i) Trade Receivables	8(b)	156.58	450.93
(ii) Cash and Cash equivalents	8(c)	2.59	2.54
(iii) Bank balances other than ii above	8(d)	44.00	41.72
(iv) Loans	8(e)	0.10	2.86
c) Other current assets	9	228.46	208.02
d) Current Tax Assets (Net)		19.31	19.48
	<b>Total</b>	<b>1,879.65</b>	<b>1,939.35</b>
	<b>TOTAL ASSETS</b>	<b>6,023.86</b>	<b>6,215.08</b>
<b>EQUITY AND LIABILITIES</b>			
<b>I. Equity</b>			
a) Equity Share Capital	10	507.19	507.19
b) Other Equity	11	1,170.83	1,501.71
	<b>Total Equity</b>	<b>1,678.02</b>	<b>2,008.90</b>
<b>Liabilities</b>			
<b>II. Non Current Liabilities</b>			
a) Financial Liabilities			
Borrowings	12	1,915.14	1,995.37
Discounted Interest Portion of Interest waived - Unsecured Loans		289.95	—
Security Deposit from Tenants		159.63	117.52
b) Gratuity/Leave Salary Provisions	13	89.76	78.18
	<b>Sub total</b>	<b>2,454.48</b>	<b>2,191.07</b>
<b>III. Current Liabilities</b>			
a) Financial Liabilities			
(i) Short term Borrowings	14 (a)	1,033.70	863.80
(ii) Trade Payables			
a) Dues to Micro and Small Enterprises	14(b)	177.29	585.17
b) Dues to Creditors other than (ii) (a) above		104.31	2.89
(iii) Other Financial Liabilities	14(c)	318.92	187.75
b) Other Current Liabilities	15	200.78	328.61
c) Provisions	16	56.36	46.89
	<b>Sub total</b>	<b>1,891.36</b>	<b>2,015.11</b>
	<b>TOTAL LIABILITIES</b>	<b>6,023.86</b>	<b>6,215.08</b>

**Significant Accounting Policies**

Notes to the Financial Statements

The accompanying Notes form an integral part of the Consolidated Financial Statements For and on behalf of the Board of Directors of Veejay Lakshmi Engineering Works Limited

(SD/-) V.J. JAYARAMAN (SD/-) J. ANAND (SD/-) D. RANGANATHAN (SD/-) V.K. SWAMINATHAN  
Chairman Managing Director Whole-Time Director Company Secretary

DIN No:00137340 DIN No: 00137425 DIN No:00137566  
Place : Coimbatore  
Date : 29.05.2025

As per our report of even date  
For N.R.D. Associates  
Chartered Accountants, FRN No. 005662S

T.M. MALAVIKA  
Partner  
M.No: 231017

**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH, 2025**

Particulars	Note No.	For the year ended 31.03.2025	For the year ended 31.03.2024
		<b>Amount ₹ in lakhs</b>	
<b>INCOME</b>			
I. Revenue from operations	17	<b>7,964.93</b>	8,709.10
II. Other Income	18	<b>319.99</b>	343.38
III. <b>Total Income (I+II)</b>		<b>8,284.92</b>	<b>9,052.48</b>
<b>IV. EXPENSES</b>			
Cost of Materials consumed	19	<b>6,172.77</b>	6,454.74
Changes in Inventories of Finished goods, Work-in process and Stock in trade	20	<b>(334.62)</b>	257.72
Employee Benefits Expense	21	<b>1,122.07</b>	1,164.80
Finance Costs	22	<b>250.07</b>	237.22
Depreciation and amortization expenses	2&3	<b>249.44</b>	243.72
Other expenses	23	<b>1,155.49</b>	1,173.11
<b>Total Expenses (IV)</b>		<b>8,615.22</b>	<b>9,531.31</b>
V. <b>Profit/(Loss) before exceptional items and tax (III-IV)</b>		<b>(330.30)</b>	<b>(478.83)</b>
VI. Exceptional items (income(+), expenses(-))		<b>—</b>	<b>—</b>
VII. <b>Profit before Tax after exceptional items (V-VI)</b>		<b>(330.30)</b>	<b>(478.83)</b>
VIII. Tax Expense:			
Current Tax		<b>—</b>	<b>—</b>
Deferred Tax		<b>1.18</b>	(23.29)
IX. <b>Profit and Loss for the year from continuing operations (VII-VIII)</b>		<b>(331.48)</b>	<b>(455.54)</b>
X. Share of profit/(loss) of an associate		<b>2.18</b>	(2.06)
XI. Other comprehensive income			
A. Items that will not be reclassified to Profit or Loss			
1. Changes in Fair value of FVTOCI equity instruments		<b>12.95</b>	85.60
1.a. Deferred-tax relating to above		<b>(3.60)</b>	(23.81)
2. Remeasurement of post-employment defined benefit plans + (income)/-(expense)		<b>(19.05)</b>	—
2.a. Deferred-tax relating to above		<b>5.30</b>	—
B. Items that will be reclassified to Profit and Loss			
1. Forex Cash Flow Hedging		<b>1.88</b>	(1.88)
1.a. Deferred-tax relating to above		<b>(0.52)</b>	0.52
Share of other Comprehensive Income in Associates		<b>0.06</b>	7.39
<b>Total Other Comprehensive income for the year</b>		<b>(2.98)</b>	<b>67.82</b>
XII. <b>Total Comprehensive income for the year</b>		<b>(332.28)</b>	<b>(389.78)</b>
Earnings per share for Continuing operation			
Basic	28	<b>(6.54)</b>	(8.98)
Diluted		<b>(6.54)</b>	(8.98)

There is no discontinued operation and hence there is no profit/loss or EPS relating to the same

**Significant Accounting Policies****1**

Notes to the Financial Statements

**2-34**

The accompanying Notes form an integral part of the Consolidated Financial Statements

For and on behalf of the Board of Directors of

**Veejay Lakshmi Engineering Works Limited**

As per our report of even date

**For N.R.D. Associates**

Chartered Accountants, FRN No. 005662S

(SD/-) V.J. JAYARAMAN

(SD/-) J. ANAND

(SD/-) D. RANGANATHAN

(SD/-) V.K. SWAMINATHAN

**T.M. MALAVIKA**

Chairman

Managing Director

Whole-Time Director

Company Secretary

Partner

DIN No:00137340

DIN No: 00137425

DIN No:00137566

M.No: 231017

Place : Coimbatore

Date : 29.05.2025



## CONSOLIDATED FINANCIAL STATEMENTS

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>I. Cash Flows from Operating Activities</b>	<b>Amount ₹ in lakhs (330.30)</b>	<b>(478.83)</b>
Net profit before taxation and extraordinary item		
Adjustments for:		
Depreciation and amortisation expense	249.44	243.72
Allowance for doubtful debts	—	—
Finance expenses (considered separately)	250.07	237.22
Interest income (considered separately)	(143.22)	(130.63)
Dividend Income	(1.58)	(1.85)
Unrealised foreign exchange fluctuation loss/(gain), net	0.36	4.72
(Profit) /loss on sale of Property, Plant and Equipment (net)	(4.72)	—
Profit on sale of Investments	—	—
Operating profit before working capital changes	350.35	353.18
Working capital changes:		
(Increase)/Decrease in Trade receivables	294.35	(403.84)
(Increase)/Decrease in Inventories	(214.81)	553.76
Increase/(Decrease) in Loans	2.76	(2.76)
Increase/(Decrease) in other current assets	(20.44)	282.99
(Increase)/Decrease in other financial Assets	—	—
Increase/(Decrease) in trade payables	(306.46)	484.93
(Increase)/Decrease in Non current Assets	(4.47)	—
Increase/(Decrease) in other financial liabilities	175.16	11.00
Increase/(Decrease) in other current liabilities	(127.83)	(47.88)
Increase/(Decrease) in Advances	(40.81)	(17.46)
Increase/(Decrease) in provisions	2.00	6.47
Cash generated from operations	109.80	1,220.39
Tax (paid)/refund received	0.17	(14.26)
<b>Net cash used in/ generated from operations</b>	<b>(A) (220.33)</b>	<b>727.30</b>
<b>II. Cash Flows from Investing Activities</b>		
Purchase of Property, Plant and Equipment	(56.77)	(92.65)
Sale proceeds of Property, Plant and Equipment	5.44	0.17
Interest income received	143.22	130.63
Amount Invested in Fixed Deposit	(2.28)	(1.21)
Proceeds from Investments	—	—
Dividend Income Received	1.58	1.85
<b>Net cashused in investing activities</b>	<b>(B) 91.19</b>	<b>38.79</b>
<b>III. Cash Flows from Financing Activities</b>		
Interest paid	(250.07)	(293.01)
Increase/(decrease) in short-term borrowings	169.90	(534.00)
Proceeds from long-term borrowings	209.72	65.07
<b>Net cash used in financing activities</b>	<b>(C) 129.55</b>	<b>(761.94)</b>
Effect of exchange differences on translation of cash and cash equivalents	(D) (0.36)	(4.72)
<b>Net increase/(decrease) in cash and cash equivalents during the year</b>	<b>0.05</b>	<b>(0.57)</b>
(A) + (B) + (C) + (D)		
<b>Cash and cash equivalents at the beginning of the year</b>	<b>2.54</b>	<b>3.11</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>2.59</b>	<b>2.54</b>
<b>IV. Significant Accounting Policies</b>	<b>1</b>	
Notes to financial statements	<b>(2-34)</b>	

The accompanying Notes form an integral part of the Consolidated Financial Statements

Notes: 1. Figures in brackets represent out flows of cash and cash equivalents

For and on behalf of the Board of Directors of  
Veejay Lakshmi Engineering Works Limited

(SD/-) V.J. JAYARAMAN Chairman DIN No:00137340	(SD/-) J. ANAND Managing Director DIN No: 00137425	(SD/-) D. RANGANATHAN Whole-Time Director DIN No:00137566	(SD/-) V.K. SWAMINATHAN Company Secretary
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Place : Coimbatore  
Date : 29.05.2025As per our report of even date  
For N.R.D. Associates  
Chartered Accountants, FRN No. 005662ST.M. MALAVIKA  
Partner  
M.No: 231017





## CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Changes in Equity for the year ended 31<sup>st</sup> March 2024

Particulars	Equity Share Capital	Reserves and Surplus				Equity Instruments through Other Comprehensive Income	Items of Other Comprehensive Income	Cash Flow hedge	Total
		General Reserve	Capital Reserve	Securities premium	Retained Earnings				
Balance at the beginning of the Previous reporting period (1.4.2023)	507.19	3,599.49	100.82	2,116.43	(4,045.59)	130.30	(9.96)	-	2,398.68
Changes due to prior period items	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of reporting Period (01.04.2023)	507.19	3,599.49	100.82	2,116.43	(4,045.59)	130.30	(9.96)	-	2,398.68
Profit for the year	-	-	-	-	(457.60)	-	-	-	(457.60)
Remeasurement of net defined benefit Liability/Asset (net)	-	-	-	-	-	-	-	-	-
Changes in fair value of equity instruments through FVTOCI [net of tax]	-	-	-	-	-	69.18	-	-	69.18
Cash flow hedges (Net of taxes)	-	-	-	-	-	-	(1.36)	(1.36)	-
Total Comprehensive Income	-	-	-	-	(457.60)	69.18	-	(1.36)	(389.78)
Transfer to Reserves	-	-	-	-	-	-	-	-	-
<b>Balance at the end of reporting Period (31.03.2024)</b>	<b>507.19</b>	<b>3,599.49</b>	<b>100.82</b>	<b>2,116.43</b>	<b>(4,503.19)</b>	<b>199.48</b>	<b>(9.96)</b>	<b>(1.36)</b>	<b>2,008.90</b>

Consolidated Statement of Changes in Equity for the year ended 31<sup>st</sup> March 2025

Particulars	Equity Share Capital	Reserves and Surplus				Equity Instruments through Other Comprehensive Income	Items of Other Comprehensive Income	Cash Flow hedge	Total
		General Reserve	Capital Reserve	Securities premium	Retained Earnings				
Balance at the beginning of the current reporting period (01.04.2024)	507.19	3,599.49	100.82	2,116.43	(4,503.19)	199.48	(9.96)	(1.36)	2,008.90
Changes due to prior period items	-	-	-	-	1.40	-	-	-	1.40
Restated balance at the beginning of reporting Period (01.04.2024)	507.19	3,599.49	100.82	2,116.43	(4,501.79)	199.48	(9.96)	(1.36)	2,010.30
Prior period error items adjusted	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	(329.30)	-	-	-	(329.30)
Remeasurement of net defined benefit Liability/Asset (net)	-	-	-	-	-	-	(13.75)	-	(13.75)
Changes in fair value of equity instruments through FVTOCI [net of tax]	-	-	-	-	-	9.41	-	-	9.41
Cash flow hedges (Net of taxes)	-	-	-	-	-	-	-	-	-
Cash flow hedge reserve	-	-	-	-	-	-	-	1.36	1.36
Total Comprehensive Income	-	-	-	-	(329.30)	9.41	(13.75)	1.36	(332.28)
Transfer to Reserves	-	-	-	-	-	-	-	-	-
<b>Balance at the end of reporting Period (31.03.2025)</b>	<b>507.19</b>	<b>3,599.49</b>	<b>100.82</b>	<b>2,116.43</b>	<b>(4,831.09)</b>	<b>208.89</b>	<b>(23.71)</b>	<b>-</b>	<b>1,678.02</b>

Significant Accounting Policies

Notes to the Financial Statements

The accompanying Notes form an integral part of the Consolidated Financial Statements

For and on behalf of the Board of Directors of

Veejay Lakshmi Engineering Works Limited

(SD/-) V.J. JAYARAMAN (SD/-) J. ANAND (SD/-) D. RANGANATHAN (SD/-) V.K. SWAMINATHAN

Chairman Managing Director Whole-Time Director Company Secretary

DIN No:00137340 DIN No: 00137425 DIN No:00137566

Place : Coimbatore

Date : 29.05.2025

As per our report of even date  
For N.R.D. Associates

Chartered Accountants, FRN No. 005662S

T.M. MALAVIKA

Partner

M.No: 231017



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025****1. CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES****1. Corporate Information**

Veejay Lakshmi Engineering Works Limited is a public company incorporated in India under the provisions of the Companies Act, 1956. Its shares are listed on the Bombay Stock Exchange [BSE]. The principal place of business is Coimbatore. The Company manufactures Textile machinery used in post spinning operations and also has a textile unit producing yarn and knitted fabrics. The products are sold in both domestic and international markets. The financial statements are approved for issue by the Company's Board of Directors on 29<sup>th</sup> May, 2025.

**2. Statement of compliance**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013.

**3. Basis of preparation of financial statements**

The financial statement are prepared on accrual basis of accounting under historical cost convention except as otherwise provided in policy and in accordance with Indian Accounting Standard (Ind-AS) as notified by Ministry of Corporate Affairs under companies (Indian Accounting Standards) Rules, 2015 and guidelines issued by the Securities and Exchange Board of India (SEBI) and subsequent amendments thereof as well as with the additional requirements applicable to the financial statements as set forth in the companies Act. All items having material bearing on the financial statements are recognised on the accrual basis.

**4. Basis of Consolidation**

The Consolidated Financial Statements comprise the financial statements of Veejay Lakshmi Engineering Works Limited and its associate (the Company and its associate constitute "the Group"). Investments in Associates are dealt in accordance with Indian Accounting Standard IND AS 28 'Investments in Associates and Joint Ventures'. An associate is an entity over which the company has significant influence.

The financial statements of the Group companies are consolidated by way of Equity method wherein the carrying amount of investment in associate is adjusted for the post-acquisition change in investor's share of Investees net assets. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income.

The financial statements of the associate company used in consolidation are drawn up to the same reporting period as of the company i.e., 31.03.2025.

**5. Basis of Measurement**

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities that are measured at fair values.

Items	Measurement Basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/liability	Fair value of plan assets less present value of defined benefit obligation

**Measurement of Fair Values**

A number of Company's accounting policies and disclosures require a measurement of their fair value, for both financial and non-financial assets and liabilities

The Company has an established control framework with respect to the measurement of fair values. This includes periodic review of all significant fair value measurement, including level 3 fair values.

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

The management regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- **Level 1** : quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** : inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3** : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

'The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes has occurred'.

Further information about the assumptions made in measuring fair values is included in the Other Notes to Accounts.

**6. Use of estimates and judgment**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amount of assets, liabilities expenses and revenue during the reporting period. Although such estimates and assumptions are made on reasonable and prudent basis taking into all possible information, actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognized in the period in which the estimates are revised.

Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements are valuation of defined benefit obligations, provisions , contingent liabilities and impairment of trade receivables.

**a) Impairment of Trade Receivables:**

The company estimates the credit allowance as per practical expedient based on historical credit loss experience.

**b) Provisions:**

Provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. The policy for the same has been explained under Note: 14 of Significant Accounting policies

**7. Functional and Presentation Currency**

These Financial Statements are presented in Indian Rupees, which is also company's functional currency.

**8. Property, plant and Equipments and Intangible Assets**

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and impairment loss, if any. Such costs comprises of purchase price and any directly attributable cost of bringing the assets to its working condition for intended use and also include any estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

The company depreciates property, plant & equipment using the straight line method on an estimated life as prescribed in Schedule II to the Companies act, 2013.

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

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are stated at cost less accumulated amortization and impairment if any. The estimated useful lives and residual values of the Property, Plant & Equipment and Intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of Property, Plant & Equipment and intangible assets is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant & Equipment and intangible assets are determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the profit or loss. Advance paid towards the acquisition of property, plant & equipment outstanding at each Balance sheet date is classified as capital advance under other non-current assets.

**9. Impairment of Assets****Financial Assets:**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. IND AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

**Non-Financial Assets:**

Property, Plant and Equipment and Other Intangible Assets- the Company reviews at each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit & loss.

**10. Non-current assets held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Property, plant and equipment and Intangible assets are not depreciated or amortized once classified as held for sale.

**11. Investment Property**

Investment property is property held in the form of land/building which is mainly held for the purpose of capital appreciation, but not for sale in the ordinary course of business. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less impairment losses, if any. An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025****12. Borrowing Cost**

Borrowing Cost specifically identified to the acquisition or construction of qualifying assets is capitalized as part of cost of such assets up to the period the project is commissioned or asset is put to use. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. The borrowing cost incurred on common funds borrowed generally and used for the purpose of obtaining the qualifying assets, is apportioned on rational basis, the remaining borrowing costs are charged to the Statement of Profit and Loss. Income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Finance cost-Interest expense is recognised using Effective interest rate method.

**13. Accounting Policy on Revenue recognition**

The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' with the date of initial application being April 1, 2018. Ind AS 115 establishes a comprehensive framework on revenue recognition. Ind AS 115 replaces Ind AS 18 'Revenue' and Ind AS 11 'Construction Contracts'.

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable net of returns, trade discounts. Revenue is recognized on the basis of despatches in accordance with the terms of sale when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of the goods can be estimated reliably, there is no continuing effective control over or managerial involvement with the goods, and the amount of revenue can be measured reliably. The timing of transfers of risk and rewards varies depending on the individual terms of sale.

Revenue from Services is recognized in accordance with the specific terms of contract on performance.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend Income is recognized when the company actually receives the dividend.

Export Incentives under Duty Drawback scheme are recognized when the right to receive payments is established and there is no uncertainty regarding the amount of consideration or its collectability.

**14. Employee Benefits**

Employee benefits include salaries, wages, provident fund, gratuity, leave encashment, compensate absences and retirement benefits.

**Short-term employee benefits**

Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized undiscounted during the period employee renders services. These benefits include remuneration, bonus, incentives, etc.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025****Long-term employee benefits****Defined contribution plans**

Retirement benefit plans in the form of Provident Fund are charged as an expense on an accrual basis when employees have rendered the service.

**Defined benefit plans**

Defined benefit plans comprises of Gratuity. For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Re-measurement, comprising actuarial gains and losses and the effect of the changes to the asset ceiling (if applicable), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur and consequently recognised in retained earnings and is not reclassified to profit or loss.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

**Other long term employee benefits**

Other long term employee benefit comprises of leave encashment. The leave benefits are recognized based on the present value of defined obligation which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

**15. Provisions and Contingent Liabilities**

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of past event, it is probable that the company will be required to settle the obligation and reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of reporting period, taking into the account the risks and uncertainties surrounding the obligation. When provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of time value money is material).

Contingent liabilities are disclosed in the financial statements by way of notes to accounts, unless possibility of an outflow resources embodying economic benefit is remote. Contingent Liabilities are possible obligations that arises from past events and whose existence will be confirmed only when occurrence or non-occurrence of one or more future events not wholly within the control of the company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably the obligations are disclosed as a contingent liabilities, unless the probability of outflow of economic benefits is remote. Contingent assets are not recognized but disclosed in the financial statements when an inflow of economic benefits is probable.

**16. Foreign Currency Transactions**

The Company translates all foreign currency transactions at Exchange Rates prevailing on the date of transactions. Exchange rate differences resulting from foreign exchange transactions settled during the year are recognized as income or expenses in the period in which they arise. Monetary current assets and monetary current liabilities that are denominated in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognized in the profit and loss account.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025****17. Taxes on Income**

Income Tax expense comprises current tax and deferred tax.

**Current Tax**

Current Tax is the expected tax payable on taxable income for the year, using tax rates (tax laws) enacted or substantively enacted by the end of reporting period and includes adjustment on the account of tax in respect of previous year.

**Deferred Tax**

Deferred tax is recognized using balance sheet method, providing for temporary difference between the carrying amount of asset or liability in the balance sheet and its tax base. Deferred tax is measured at the rate that are expected to apply when the temporary differences are either realized or settled, based on the laws that have been enacted or substantively enacted by the end of reporting period. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilized. The carrying amount of Deferred tax assets are reviewed at each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Minimum alternate tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of MAT credit is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

**Current and Deferred Tax for the year**

Income tax expense is recognized in the statement of profit or loss account except to the extent that it relates to items recognized in other comprehensive income.

**18. Financial Instruments**

Financial assets and financial liabilities are recognized when Company becomes a party to the contractual provisions of the Instruments.

Financial assets and financial liabilities are initially measured at fair value, except when the effect is immaterial. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of profit and loss.

**Financial Assets****Cash and cash equivalents**

The company considers all highly liquid financial Instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturity of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of cash on hand and cash balances with banks which are unrestricted for withdrawal and usage.

**Financial Asset at amortised cost**

Financial assets are subsequently measured at amortized cost using the effective interest method, except when the effect of applying it is immaterial, if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2025****Financial assets at fair value through other comprehensive income**

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company, on initial application of IND AS 109 Financial Instruments, has made an irrevocable election to present subsequent changes in fair value of equity instruments not held for trading in other comprehensive income.

**Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are measured at fair values at the end of each reporting period, with any gains or losses arising on re-measurement recognized in Profit or loss.

**Derivative Financial Instruments And Hedge Accounting**

The Company uses foreign currency forward contracts / options to hedge its risks associated with foreign Currency fluctuations relating to certain forecasted transactions. The Company designates some of these forward contracts / options as hedge instruments and account for as cash flow hedges applying the recognition and measurement principles set out in the Ind AS 109.

The counter party to the Company's foreign currency forward contracts is generally a bank. The Company does not use derivative financial instruments for speculative purposes. Foreign currency forward contract/option derivative instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in other comprehensive income and accumulated under effective portion of cash flow hedges. Amounts previously recognised in other comprehensive income and accumulated in effective portion of cash flow hedges are reclassified to the Statement of Profit or Loss in the same period in which gains/losses on the item hedged are recognised in the Statement of Profit or Loss. However when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in effective portion of cash flow hedges are transferred from effective portion of cash flow hedges and included in the initial measurement of the cost of the nonfinancial asset or non-financial liability. Profit or loss arising on cancellation or renewal of a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal occurs. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the Statement of Profit and Loss as they arise.

**Impairment of Financial assets**

The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

**De-recognition of financial assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On de-recognition of a financial asset in its entirety, (except



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

for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in statement of profit and loss.

**Financial Liabilities and Equity Instruments****Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**Financial liabilities at amortized cost**

Financial liabilities are subsequently measured at amortized cost using the effective interest method, except when the effect of applying it is immaterial.

**Equity instruments**

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue cost.

**De-recognition of financial liabilities**

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged. Cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

**Effective interest method**

The effective Interest method is a method of calculating the amortized cost of a debt Instrument and of allocating interest Income over the relevant period. The effective Interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

**Financial Guarantee contracts**

Financial guarantee contracts issued by the Company are initially measured at fair value and subsequently measured at the higher of the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18 Revenue.

**19. Inventories**

Inventories are valued at lower of cost and net realisable value after providing for obsolescence wherever necessary. Cost is determined on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**20. Statement of Cash Flows**

Cash Flows are reported using indirect method, whereby profit/(loss) before tax is adjusted for the effect of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing of financing cash flows from operating, investing and financing activities of the company are segregated.

**21. Leases**

The Company enters into agreements, comprising a transaction or series of related transactions that does not take the legal form of lease but conveys the right to use the asset in return for payment of rent or series of rent payments. In case of such arrangements, the Company applies



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

the requirements of Ind AS 116 – Leases/ Rent payments to the lease element of the arrangement. For the purpose of applying the requirements under Ind AS 116 –Leases, payments and other consideration required by the arrangement are separated at the inception of the arrangement into those for rent and those for other elements.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental expense from operating leases is generally recognized on a straight-line basis over the term of the relevant lease. However, where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognized in the year in which such benefit accrue. Contingent rentals, if any, arising under operating leases are recognized as an expense in the period in which they are incurred.

**22. Earnings Per Share**

Basic Earnings per share are computed by dividing the profit/loss after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing profit/loss after tax as adjusted for dividend, interest and other charges to expense or income relating dilutive potential equity share, by the weighted number of equity shares considered for deriving basic earnings per shares and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity.

**23. Current vs Non-Current Classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

**An asset is treated as current when it is:**

1. Expected to be realised or intended to be sold or consumed in normal operating cycle, or
2. Held primarily for the purpose of trading, or
3. Expected to be realised within twelve months after the reporting period, or
4. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

**A liability is current when:**

1. It is expected to be settled in normal operating cycle, or
2. It is held primarily for the purpose of trading, or
3. It is due to be settled within twelve months after the reporting period, or
4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

**24. Segment Reporting**

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group's other components, and for which discrete financial information is available.

Operating Segments are identified based on the nature of products and services. For reporting, the business has been split into two segments-Engineering and Textiles.

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

(All amounts are in ₹ lakhs, unless otherwise stated)

**2. Property, Plant and Equipment****3. Investment Property****4. Intangible assets**

Please refer to the respective notes in the Stand Alone Financial statements attached

**5. Financial Assets: Non Current****5(a) Investments**

Name of the Company / Security	As at 31.3.2025		As at 31.3.2024	
	Qty	Amount	Qty	Amount
<b>Quoted Investments-fully paid up (A)</b>				
<b>Investments in Equity Instruments</b>				
M/s Lakshmi Machine Works Limited	1,500.00	239.78	1,500.00	227.46
M/s Precision Fasteners Limited	10,000.00		10,000.00	—
M/s IFCI Limited	200.00	0.08	200.00	0.08
State Bank of India	3,340.00	25.77	3,340.00	25.14
<b>Unquoted Investments - fully paid up (B)</b>				
M/s Veejay Sales and Services Limited	13,100.00	163.27	13,100.00	159.63
<b>Total</b>		428.90		412.31
<b>Total Non-Current Investments</b>				
Aggregate amount of quoted investments at Market value		265.63		252.68
Aggregate amount of unquoted investments		163.27		159.63
Aggregate amount of Impairment in value of Investments		—		—
<b>Total</b>		428.90		412.31
<b>Category wise Investments-as per IND AS 109 classification</b>				
Financial Assets carried at Fair value through Profit or Loss(FVTPL)				
Financial Assets carried at Amortised cost		163.27		159.63
Financial Assets carried at Fairvalue through Other comprehensive Income (FVTOCI)		265.63		252.68
<b>Total</b>		428.90		412.31

**5(b) Loans****6. Deferred Tax****7. Other non current assets****8(a) Inventories****8(b) Trade Receivables****8(c) Cash and cash equivalents****8(d) Bank balances other than (ii) above****8(e) Loans****9. Other current assets****10. Equity share capital**

Please refer to the respective notes in the Stand Alone Financial statements attached

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

(All amounts are in ₹ lakhs, unless otherwise stated)

**11. Other Equity**

Particulars	31-Mar-25	31-Mar-24
i) <b>Securities Premium Account</b>	2,116.43	2,116.43
ii) <b>Retained Earnings</b>	–	–
Opening	(4,501.79)	(4,045.59)
Add: Current year surplus/deficit	(329.30)	(457.60)
Closing	(4,831.09)	(4,503.19)
iii) <b>Reserve for Equity instruments and others through Other Comprehensive Income</b>		
Opening	189.52	120.34
Movement in OCI (Net) during the year	(4.34)	69.18
Closing Balance	185.18	189.52
(iv) <b>General Reserve</b>		
Opening	3,599.49	3,599.49
Additions During the year	–	–
Closing	3,599.49	3,599.49
(v) <b>Capital Reserve</b>		
Opening	100.82	100.82
Current year addition/deletion	–	–
Closing	100.82	100.82
(vi) <b>Cash flow hedge reserve</b>		
Opening	(1.36)	–
Current year addition/deletion	1.36	(1.36)
Closing	–	(1.36)
<b>Total Other Equity</b>	<b>1,170.83</b>	<b>1,501.71</b>

Please refer to the respective notes in the Stand Alone Financial statements for the following:

12. Borrowings
13. Provisions
- 14(a). Borrowings
- 14(b). Trade payables
- 14(c). Other financial liability
15. Other current liabilities
16. Provisions
17. Revenue from operations
18. Other Income
19. Cost of Materials consumed
20. Changes in Inventories of Finished goods, Work-in process and Stock in trade
21. Employee Benefits Expense
22. Finance Costs
23. Other expenses
24. Payments to Auditors
25. As defined under Micro, small and Medium Enterprises Development Act 2006, the disclosure in respect of the amount payable to such enterprises as at 31.03.2022 has been made in the financial statements based on information received and available with the company.

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

(All amounts are in ₹ lakhs, unless otherwise stated)

## 26. Reconciliation of effective tax rate

Particulars	31/03/25	31/03/24
<b>Current Tax</b>		
In respect of current year	–	–
<b>Deferred Tax</b>	(1.18)	(23.29)
<b>Total income tax expense recognized in the current year</b>	<b>(1.18)</b>	<b>(23.29)</b>
The reconciliation between the provision of income tax of the company and amounts computed by applying the indian statutory income tax rate to profit before tax is as follows		
<b>Current tax:</b>		
Profit before tax	(330.30)	(478.83)
Enacted income tax rate	27.82%	27.82%
Computed Expected Tax Expenses		–
<b>Effect of:</b>		
Depreciation Debited in Profit and Loss account	69.39	67.81
Donation	0.04	–
Provision for gratuity	2.74	1.90
Leave Encashment	–	2.54
Bonus Provision made in the Books	6.30	5.81
Profit on sale of assets	1.31	–
Depreciation as per IT Rules	(40.32)	(44.46)
Bonus claimed on payment basis	(5.65)	(6.15)
Unabsorbed Depreciation and carry forward loss	(31.45)	(27.45)
<b>Income Tax expense recognized in the profit or loss (Current Tax)</b>	<b>–</b>	<b>–</b>
<b>Deferred Tax relating to items of OCI adjusted in Profit &amp; loss account*</b>		
Disallowance u/s 43B	(5.30)	–
Fair valuation of Investments	3.60	23.81
Forex Cash Flow Hedging	0.52	(0.52)
<b>Income tax expense recognized in the profit or loss (Deferred Tax)</b>	<b>(1.18)</b>	<b>23.29</b>

Note: \*The deferred tax asset on account of MAT credit and carryover losses have not been recognized due to uncertainty in realising the same. The deferred tax liability on Property, Plant and Equipment or other timing difference items will get adjusted with carryover losses/MAT Credit entitlements.

## 27. Contingent liabilities and Capital Commitments:

(Please refer to the respective notes in the Stand Alone Financial statements)

## 28. Earnings Per Share

Particulars	For the year ended 31-3-2025	For the year ended 31-3-2024
Profit after taxation	(331.48)	(455.54)
Equity shares outstanding at the end of the year (In No.'s)	50,71,900	50,71,900
Weighted average number of Equity shares outstanding during the year	50,71,900	50,71,900
Earnings per share (Basic) (In Rs)	(6.54)	(8.98)
Earnings per share (Diluted) (In Rs)	(6.54)	(8.98)
Nominal value per share (Rs)	10.00	10.00

## 29. Figures have been rounded off to Rs. In lakhs and previous year figures have been regrouped / rearranged wherever necessary.

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

(All amounts are in ₹ lakhs, unless otherwise stated)

**30. Segment information**

Primary segment information (business segments)

Particulars	2024-25					2023-24				
	Engineering	Textile	Unallocated	Inter Segment eliminations	Total	Engineering	Textile	Unallocated	Inter Segment eliminations	Total
a) Revenue	1,692.27	6,276.04	–	–	<b>7,968.31</b>	2,151.89	6,566.76	–	–	8,718.65
b) Inter Segment sales	–	–	–	(3.38)	<b>(3.38)</b>	–	–	–	(9.55)	(9.55)
<b>Total Revenue</b>	1,692.27	6,276.04	–	(3.38)	<b>7,964.93</b>	2,151.89	6,566.76	–	(9.55)	8,709.10
c) Result	22.51	(344.77)	–	–	<b>(322.26)</b>	(103.19)	(416.07)	–	–	(519.26)
Add: Unallocated income (net of expenditure)	–	–	–	–	<b>242.03</b>	–	–	–	–	277.65
<b>Profit before interest and tax</b>	–	–	–	–	<b>(80.23)</b>	–	–	–	–	(241.61)
Interest	–	–	–	–	<b>250.07</b>	–	–	–	–	237.22
<b>Profit before tax</b>	–	–	–	–	<b>(330.30)</b>	–	–	–	–	(478.83)
<b>Tax expenses</b>	–	–	–	–	–	–	–	–	–	–
– Current tax	–	–	–	–	–	–	–	–	–	–
– Deferred tax	–	–	–	–	<b>1.18</b>	–	–	–	–	(23.29)
– Total	–	–	–	–	<b>1.18</b>	–	–	–	–	(23.29)
<b>Profit for the year</b>	–	–	–	–	<b>(331.48)</b>	–	–	–	–	(455.54)
d) Assets	1,257.26	3,988.66	777.94	–	<b>6,023.86</b>	1,113.78	4,306.09	795.21	–	6,215.08
e) Liabilities	1,023.36	3,156.14	166.34	–	<b>4,345.84</b>	901.94	3,183.72	120.52	–	4,206.18
f) Capital assets acquired during the year	56.77	–	–	–	<b>56.77</b>	48.90	21.74	22.01	–	92.65
g) Depreciation, impairment and amortisation	33.64	202.97	12.83	–	<b>249.44</b>	39.98	191.00	12.74	–	243.72
h) Other non-cash charges except depreciation, impairment and amortisation	–	–	–	–	–	–	–	–	–	–

Revenue from Engineering division is on account of sales of textile machinery and spares and the textile division revenue is on account of cotton yarn and fabrics. Approximately INR Rs.3377.37 has been realised from exports (Engineering Division Rs.546.04 lakhs and Textile Division Rs.2831.33 lakhs). Previous year Total exports Rs.3128.61 lakhs. (Engineering Division Rs. 44.67 lakhs and Textile Division Rs.3083.94 lakhs). There are four customers contributing individually to more than 10% of total revenue in 2024-25. The largest turnover to a single customer is Rs.1844.72 lakhs. The largest turnover to a single customer is Rs. 2169.34 lakhs in previous year.

**Reconciliations to amounts reflected in the financial statements**

Reconciliation of profit	31-Mar-25	31-Mar-24		31-Mar-25	31-Mar-24
Segment profit	(322.26)	(519.26)	Other Expenses-Audit fees stationery, Professional Charges etc.,	(25.98)	40.39
Dividend Income	1.58	1.85	Income from Investment Property (net of expenses)	136.04	117.52
Depreciation on Corporate Assets	(12.83)	(12.74)	Interest Income	143.22	130.63
			<b>Profit before interest and tax</b>	<b>(80.23)</b>	<b>(241.61)</b>

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

(All amounts are in ₹ lakhs, unless otherwise stated)

Reconciliation of assets	31-Mar-25	31-Mar-24	Reconciliation of liabilities	31-Mar-25	31-Mar-24
Segment operating assets	5,245.92	5,419.87	Segment operating liabilities	4,179.50	4,085.66
Corporate Assets - Property & Investments	712.04	731.47	Other Current Liabilities - Corporate	166.34	120.52
Cash and Cash equivalents	46.59	44.26	<b>Total liabilities</b>	<b>4,345.84</b>	<b>4,206.18</b>
TDS /MAT receivable	19.31	19.48			
<b>Total Assets</b>	<b>6,023.86</b>	<b>6,215.08</b>			

**31. RELATED PARTY DISCLOSURES****32. IND AS 19 Disclosure of Employee Benefit****33. Liquidity / Profitability Ratios**

(Please refer to the respective notes in the Stand Alone Financial statements attached)

**34. Financial Instruments Risk and review****Financial Instruments**

The carrying value and fair value of financial instruments by categories as of March 31, 2025 is as follows:

Particulars	Fair Value through P&L	Fair Value through Comprehensive Income	Amortised Cost	Total Carrying Amount
<b>Assets:</b>				
Cash and Cash Equivalents	—	—	2.59	2.59
Other Balances with Bank	—	—	44.00	44.00
Trade receivables	—	—	156.58	156.58
Loans	—	—	160.88	160.88
Investments	—	265.63	163.27	428.90
Other Financial Assets	—	—	—	—
<b>Total</b>	<b>—</b>	<b>265.63</b>	<b>527.32</b>	<b>792.95</b>
<b>Liabilities</b>				
Trade and Other Payables	—	—	281.60	281.60
Borrowings	—	—	2,948.84	2,948.84
Other Financial Liabilities	—	—	768.50	768.50
<b>Total</b>	<b>—</b>	<b>—</b>	<b>3,998.94</b>	<b>3,998.94</b>

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

(All amounts are in ₹ lakhs, unless otherwise stated)

The carrying value and fair value of financial instruments by categories as of March 31, 2024 is as follows:

Particulars	Fair Value through P&L	Fair Value through Comprehensive Income	Amortised Cost	Total Carrying Amount
<b>Assets:</b>				
Cash and Cash Equivalents	–	–	2.54	2.54
Other Balances with Bank	–	–	41.72	41.72
Trade receivables	–	–	450.93	450.93
Loans	–	–	122.83	122.83
Investments	–	252.68	159.63	412.31
Other Financial Assets	–	–	–	–
<b>Total</b>	<b>–</b>	<b>252.68</b>	<b>777.65</b>	<b>1,030.33</b>
<b>Liabilities</b>				
Trade and Other Payables	–	–	588.06	588.06
Borrowings	–	–	2,859.17	2,859.17
Other Financial Liabilities	–	–	305.27	305.27
<b>Total</b>	<b>–</b>	<b>–</b>	<b>3,752.50</b>	<b>3,752.50</b>

**Fair Value Hierarchy:**

The following table shows the levels in the fair value hierarchy as the end of reporting period.

	As at March 31, 2025	As at March 31, 2024
<b>Assets</b>		
Investments	Level 1	Level 1
<b>Liabilities</b>		
Borrowings-Optionally convertible loan	Level 2	Level 2

**Financial Risk Management Objectives and Policies**

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

The company is exposed to the following risks from its use of financial instruments

- Market Risk
- Credit Risk
- Liquidity Risk

The company's Board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This note presents information about the risks associated with its financial instruments, the

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

(All amounts are in ₹ lakhs, unless otherwise stated)

company's objectives, policies and processes for measuring and managing risk, and the Company's management of Capital.

**Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

**a) Foreign Currency Exchange Rate Risk**

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. The risks primarily relate to fluctuations in US Dollar, Euro, Great Britain Pound, and Japanese Yen against the respective functional currencies of Veejay Lakshmi Engineering Works Limited

The following analysis has been worked out based on the net exposures for Veejay Lakshmi Engineering Works Limited as of the date of statements of financial position which could affect the Statements of profit or loss and other comprehensive income and equity.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary Liabilities at the end of the reporting period are as follows::

	USD	EURO	JPY	GBP
<b>As at March 31, 2025</b>				
<b>Financial Assets</b>				
Trade receivables	136.81	—	—	—
<b>Total</b>	136.81	—	—	—
<b>Financial Liabilities</b>				
Trade Payables	—	—	—	—
<b>Total</b>	—	—	—	—
<b>As at March 31, 2024</b>				
<b>Financial Assets</b>				
Trade receivables	438.29	—	—	—
<b>Total</b>	438.29	—	—	—
<b>Financial Liabilities</b>				
Trade Payables	—	—	—	—
<b>Total</b>	—	—	—	—

**Credit Risk**

The company is exposed to credit risk as a result of risk of counterparties defaulting on their obligations. The company's exposure to credit risk primarily relates to Cash and Cash Equivalents, other bank balances, trade receivables, loans and other financial assets.

The customer's credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management.

Credit quality of a customer is assessed based on the individual credit limits that are defined in accordance with the assessment and outstanding customer receivables are regularly monitored. The company monitors and limits its exposure to credit risk on a continuous basis.



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

(All amounts are in ₹ lakhs, unless otherwise stated)

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

**Exposure to Credit Risk**

	31-03-2025	31-03-2024
The carrying amount of financial assets represents the maximum credit exposure. Maximum exposure to credit risk being the total of the carrying amount of trade receivables, investments, cash and cash equivalents, other balance with banks, loans and other financial assets.	792.95	1,030.33

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The maximum exposure to credit risk as at reporting date is primarily from trade receivables and the movement in allowance for impairment in respect of trade and other receivables during the year was as follows:

Trade Receivables	156.58	450.93
Allowance for doubtful debts	—	—

**Liquidity Risk**

The company is exposed to liquidity risk related to its ability to fund its obligations as they become due. The company monitors and manages its liquidity risk to ensure access to sufficient funds to meet operational and financial requirements. The company monitors cash balances daily. In relation to Company's liquidity risk, the company's policy is to ensure, as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions as they fall due while minimizing finance costs without incurring unacceptable losses or risking damage to Company's reputation.

The Company's principle source of liquidity is cash and cash equivalents and the cash flow is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements and accordingly, no risk is perceived.

**Financial Liabilities**

As at March 31, 2025	Due in 1 year	1–2 years	3–5 years	>5 years
Borrowings	1,033.70	74.61	96.00	1,744.53
Trade payables	281.60	—	—	—
Other Financial Liabilities	478.55	139.54	150.41	—
<b>Total</b>	<b>1,793.85</b>	<b>214.15</b>	<b>246.41</b>	<b>1,744.53</b>
As at March 31, 2024				
Borrowings	863.80	109.88	139.60	1,745.89
Trade payables	588.06	—	—	—
Other Financial Liabilities	305.27	—	—	—
<b>Total</b>	<b>1,757.13</b>	<b>109.88</b>	<b>139.60</b>	<b>1,745.89</b>



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

(All amounts are in ₹ lakhs, unless otherwise stated)

Additional Information, as required under Schedule III to the Companies Act, 2013 of entities Consolidated as Subsidiaries, Associates and Jointly Controlled Entity

Name of the Entity	Net assets i.e., total assets minus total liabilities		Share in Profit or Loss					
			31-03.2025					
	As % of Consolidated Net Assets	Amount	As % of Consolidated Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount		
<b>PARENT</b>								
Veejay Lakshmi Engineering Works Limited	31.03.2025	90%	1,516.06	101%	(331.48)	102%	(3.04)	
	31.03.2024	92%	1,850.58	100%	(455.54)	89%	60.43	
<b>ASSOCIATES</b>								
VEEJAY SALES AND SERVICES LIMITED	31.03.2025	10%	161.96	(1%)	2.18	(2%)	0.06	
	31.03.2024	8%	158.32	0%	(2.06)	11%	7.39	
Total	31.03.2025	100%	1,678.02	100%	(329.30)	100%	(2.98)	
	31.03.2024	100%	2,008.90	100%	(457.60)	100%	67.82	

### Interest in Other Entities

#### a) Associates

The group's Associates at 31<sup>st</sup> March, 2025 are set out below. Unless otherwise stated, they have Share capital consisting solely of equity share capital that are directly held by the group, and the proportion of ownership interests held equals to the voting right held by the group.

Name of the Entity	Principal Place of Business	Ownership Interest held by the group		Principal Activities
		31-Mar-25	31-Mar-24	
Veejay Sales And Service Limited	Coimbatore, Tamilnadu	26.20%	26.20%	Windmill Power Generation

### Other Statutory Information

- The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries."
- The Company has not advanced or loaned or invested funds to any persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries."

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

(All amounts are in ₹ lakhs, unless otherwise stated)

3. The company did not undertake transactions that were not recorded in the books of accounts and which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
4. The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
5. The Company has not made investments in more than one layer of body corporate in accordance with provisions of clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.
6. The Company has not been declared a Wilful Defaulter by its lenders.
7. No proceedings have been initiated against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
8. The company has not traded in cryptocurrencies or virtual currencies during the year.
9. The Company has not entered into transactions with Companies that have been struck off the Registrar of Companies u/s 248 of the Companies Act, 2013 during the financial year.
10. The details of quarterly statements of stock and book debts filed by the Company with the banks have been given below together with the reason for the differences

Quarters	Figures as per books of Accounts (A)	Figures Furnished To The Bank (B)	Difference (B-A)	Nature of difference & Remarks
<b>Stock</b>				
Q1	1,404.48	1,396.02	8.46	Difference due to exclusion of items not eligible for finance in the statement given to bank
Q2	1,569.19	1,559.05	10.14	
Q3	1,431.49	1,423.61	7.88	
Q4	1,428.61	1,431.51	(2.9)	Difference due to submission of estimated figures to bank
<b>Trade Receivables</b>				
Q1	441.9	318	123.9	Difference due to exclusion of items not eligible for finance in the statement given to bank
Q2	689.78	691	(1.22)	Difference due to submission of estimated figures to bank
Q3	640.19	589	51.19	Difference due to exclusion of items not eligible for finance in the statement given to bank
Q4	156.58	141	15.58	

11. The borrowings availed by the company during the financial year have been used for the specific purposes for which they were availed.

For and on behalf of the Board of Directors of  
**Veejay Lakshmi Engineering Works Limited**

(SD/-) V.J. JAYARAMAN (SD/-) J. ANAND (SD/-) D. RANGANATHAN (SD/-) V.K. SWAMINATHAN  
Chairman Managing Director Whole-Time Director Company Secretary  
DIN No:00137340 DIN No: 00137425 DIN No:00137566  
Place : Coimbatore  
Date : 29.05.2025

As per our report of even date  
**For N.R.D. Associates**  
Chartered Accountants, FRN No. 005662S

**T.M. MALAVIKA**  
Partner  
M.No: 231017

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**Form No. MGT-11**

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

**PROXY FORM**

CIN : L29191TZ1974PLC000705  
Name of the Company : VEEJAY LAKSHMI ENGINEERING WORKS LTD  
Registered Office : Sengalipalayam, NGGO Colony Post, Coimbatore - 641 022

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

I / we, being the shareholder(s) of ..... shares of the above named company, hereby appoint

1. Name :  
Address :  
E-mail ID :  
Signature : \_\_\_\_\_ or failing him
2. Name :  
Address :  
E-mail ID :  
Signature : \_\_\_\_\_ or failing him
3. Name :  
Address :  
E-mail ID :  
Signature : \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 50<sup>th</sup> Annual General Meeting of the company, to be held on the 11<sup>th</sup> day of September, 2025 at 10.30 a.m. Chamber Towers, Indian Chamber of Commerce & Industry, 8/733, Avinashi Road, Coimbatore - 641 018 and at any adjournment thereof in respect of such resolutions as are indicated in the Notice for the meeting.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2025.

Signature of Shareholder :

Signature of Proxy holder(s) :

(Affix  
Revenue  
Stamp)

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

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## VEEJAY LAKSHMI ENGINEERING WORKS LIMITED

Regd. Office : Sengalipalayam, NGGO Colony Post, Coimbatore – 641 022  
(CIN L29191TZ1974PLC000705)

### ATTENDANCE SLIP

Name & Address of the Shareholder	No. of Shares held	Sequence No.	Folio No.

I hereby record my presence at the 50<sup>th</sup> ANNUAL GENERAL MEETING of the Company at Chamber Towers, Indian Chamber of Commerce & Industry, 8/733, Avinashi Road, Coimbatore - 641 018 on Thursday the 11<sup>th</sup> September 2025 at 10.30 AM.

Signature of the member or Proxy

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ROUTE MAP TO MEETING HALL

