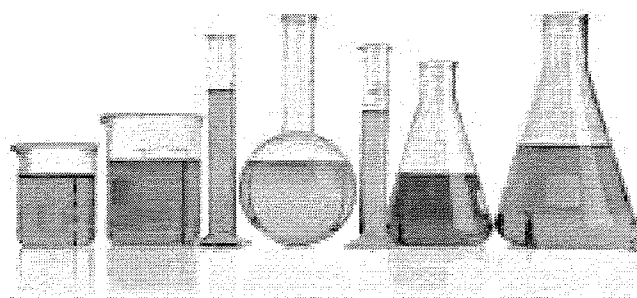




VERITAS (INDIA) LIMITED



29th Annual Report
2013 - 2014

BOARD OF DIRECTORS

Mr. Nitin Kumar Didwania
Ms. Alpa Parekh
Mr. Saurabh Sanghvi
Mr. Ratan Moondra
Justice S. S. Parkar (Retd.)

Chief Financial Officer

Mr. Rajaram Shanbhag

Company Secretary

Mr. Mukesh Tank

Registered Office

701 Embassy Centre,
Nariman Point,
Mumbai- 400 021
Tel no. 022-22824444
Fax no. 022-22824440
E-mail: corp@veritasindia.net
Mukesh.t@ veritasindia.net

Corporate Identity Number

L23209MH1985PLC035702

Auditors

M/s. Shabbir S. Bagasrawala,
Chartered Accountants

Bankers

Punjab National Bank
Axis Bank Ltd

Registrars & Share Transfer Agents

M/s. Universal Capital Securities Pvt. Ltd.
(Formerly known as "Mondkar Computers Pvt. Ltd.")
21, Shakil Niwas,
Opp. Satya Saibaba Temple,
Mahakali Caves Road,
Andheri (East),
Mumbai – 400 093.

Tel No. 022-28207203
Fax No. 022-28207207

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DIRECTORS' REPORT

**To,
The Members,
Veritas (India) Limited**

Your Directors have pleasure in presenting the Twenty Ninth Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS

The Financial Results for the year ended 31st March, 2014 are summarized below:

	(Rs. in Lacs)			
	Standalone		Consolidated	
	2013-2014	2012-2013	2013-2014	2012-2013
Turnover	40,272.74	33,965.61	1,20,210.64	91,415.62
Profit before Tax	870.41	835.85	3,264.47	2,084.90
Less: Provision for Taxation				
- Current Tax	(167.00)	(169.01)	168.74	169.01
- Deferred Tax	13.57	9.69	(13.27)	(9.69)
- Current Tax Expense related to prior Years.	5.16	-	5.16	-
Profit after Tax	711.83	676.53	3103.85	1,925.58
Add: Balance in Profit & Loss Account brought forward.	1473.22	810.76	6299.18	4387.68
Profit available for Appropriation	2187.02	1,487.29	9405.00	6313.25
Less:				
- Proposed Dividend	12.11	12.11	12.11	12.11
- Dividend Distribution Tax	1.96	1.96	1.96	1.96
Balance transferred to Balance Sheet	2172.95	1,473.22	9390.93	6299.18
Earnings per Share of Re. 1/- each	2.94	2.79	12.82	7.95

OPERATIONS

Total production in the Indian chemical industry was 8,402 MT in FY13, a 0.7 per cent decline over FY12. (Source Department of Chemicals and Petrochemicals) Despite constrains and challenging environment, your Company has demonstrated the resilience in its business which can be demonstrated from the following figures and comparison:

- Standalone Turnover increased by 18.57 % to Rs. 40,272.74 Lacs as compared to previous year of Rs. 33,965.61 Lacs.
- Consolidated Turnover increased by 31.50 % to Rs. 1,20,210.64 Lacs as compared to previous year of Rs. 91,415.62 Lacs.
- Standalone Profit after Tax increased by 5.22% to Rs. 711.83 Lacs as compared to previous year of Rs. 676.53 Lacs.
- Consolidated Profit after Tax increased by 61.19% to Rs. 3,103.85 Lacs as compared to previous year of Rs. 1,925.58 Lacs.

DIVIDEND

Your Directors have recommended a dividend of 5 (Five) paise per Equity Share of Re. 1/- each for the Financial Year ended 31st March, 2014. The Dividend is payable subject to the approval of the Members at the ensuing Annual General Meeting of the Company.

The dividend will be paid to members whose names appear in the Register of Members as on the book closure date; in respect of shares held in dematerialised form, it will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as beneficial owners as on that date.

The dividend payout for the year under review has been formulated in accordance with shareholders' aspirations and the Company's policy to pay sustainable dividend linked to long term growth objectives of the Company to be met by internal cash accruals.

WINDMILL PROJECT

During the year, the revenue from generation of power through Wind Energy was Rs.77.91 lacs, as compared to previous year figure of Rs. 88.32 lacs. We expect the revenue to rise at in present and forthcoming Financial Year.

CORPORATE GOVERNANCE

The Corporate Governance and Management Discussion and Analysis Reports form an integral part of this report and are set out as separate Annexures to this Report. The Certificate from Auditors of the Company, certifying compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement, is annexed to the Report on Corporate Governance.

DIRECTORS

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Saurabh Sanghvi and Mr. Ratan Moondra, Directors of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

Pursuant to the provisions of Section 150(2) Mr. Ratan Moondra, Ms. Alpa Parekh, and Mr. Shafi Parkar are the directors of the Company whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, the aforesaid directors being eligible and offering themselves for appointment, are proposed to be appointment as independent directors under section 149 of the Companies Act, 2013, to hold office as per their tenure of appointment mentioned in the notice of the forth coming Annual General Meeting of the Company.

None of the Directors are related inter-se to each other.

AUDITORS

The Auditors, M/s. Shabbir S. Bagasarawala, Chartered Accountants, Mumbai, (Membership No. 039865) retire at the conclusion of the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment. The Company has received the letter from M/s. Shabbir S. Bagasarawala stating that their re-appointment, if made, would be within the prescribed limit under section 141(3)(g) of the Companies Act, 2013 and they are not disqualified for re-appointment.

INTERNAL AUDITOR

The Company has appointed M/s G. R. Modi & Co., Chartered Accountant, as Internal Auditor of the Company on the Meeting held on 30th May, 2014 as per Section 138 of the Companies Act, 2013.

SUBSIDIARIES

During the year under review your Company has acquired 100% holding in M/s Kudrat Farming Private Limited as thus it became the wholly owned subsidiary of the Company. The acquired Subsidiary Company will add growth of the Company during the Current year.

Further M/s Kudrat Farming Private Limited acquired 100% shareholding of M/s Vidhata Farming Private Limited.

Also M/s Vidhata Farming Private Limited acquired 100% shareholding of M/s Veritas Agro Ventures Private Limited.

As on 31st March 2014, Your Company own following wholly owned overseas and domestic subsidiaries companies:

M/s. Veritas FZE, incorporated in UAE

M/s. Veritas Global PTE Limited, incorporated in Singapore

M/s. Veritas International FZE, incorporated in UAE

M/s Kudrat Farming Private Limited, incorporated in India

M/s Vidhata Farming Private Limited, incorporated in India

M/s Veritas Agro Ventures Private Limited, incorporated in India

The Ministry of Corporate Affairs, the Government of India has vide Circular No. 2/2011 dated 8th February, 2011 granted general exemption subject to fulfillment of certain conditions from attaching the Balance Sheet of the Subsidiaries to the Balance Sheet of the Company without making an application for exemption. Accordingly, the Balance Sheet, the Statement of Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company.

Financial information of the Wholly Owned Subsidiaries of the Company is disclosed in the Annual Report and the Annual Accounts of the Subsidiaries of the Company and are open for inspection at the Registered Office of the Company upto the date of the Annual General Meeting.

SCHEME OF AMALGAMATION BETWEEN M/S VERITAS (INDIA) LIMITED AND M/S KUDRAT FARMING PRIVATE LIMITED

Your Directors wish to inform you that in order to achieve synergies of operations and optimum utilization of resources, the Board of Directors at their meeting held on December 17, 2013 decided to amalgamate its Wholly Owned Subsidiary M/s Kudrat Farming Private Limited.

Pursuant to the Board decision an approval was sought from the Bombay Stock Exchange under clause 24(f). The required approval was received from the Exchange vide its letter dated April 10, 2014.

The said scheme is under process and member's approval and consent on the same will be obtained by the Company at the appropriate time.

Further the scheme of Amalgamation between M/s Veritas Agro Ventures Private Limited with Vidhata Farming Private Limited was also filed with Ho'able Bombay High Court and the order for the same is awaited.

CONSOLIDATED FINANCIAL STATEMENTS

In compliance with the Accounting Standard (AS)-21 on Consolidated Financial Statements, this Annual Report also includes the audited Consolidated Financial Statements for the financial year 2013-2014.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that they had:-

- i) followed the applicable accounting standards in the preparation of the annual accounts for the year ended 31st March 2014.
- ii) selected such accounting policies and applied them consistently, 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 as on 31st March 2014 and of the profit of the Company for the year ended 31st March 2014.
- iii) taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company, preventing, detecting fraud and other irregularities.
- iv) prepared the annual accounts for the Financial year ended 31st March, 2014 on a going concern basis.

DEPOSITS

The Company has not invited nor accepted any Deposits from the public during the year under review and shall also not accept the same without obtaining necessary approvals as may be required under the relevant provisions of the Companies Act, 2013 and rules made thereunder.

PARTICULARS OF EMPLOYEES

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, the name and other particulars of certain employees are required to be set out in an Annexure to the Directors' Report. Having regard to the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Directors' Report excluding the aforesaid information is being sent to all the Shareholders of the Company and others entitled thereto. Shareholders who are interested in obtaining such particulars may write to the Company at its Registered Office.

CONSERVATION OF ENERGY

As the Company is a trading company, hence the information regarding compliance of Rules relating to conservation of Energy and Technology Absorption pertaining to Section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are not applicable to the Company.

However your Directors have taken proper care to conserve the energy during the year under review.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to the guidelines prescribed under Section 135 of the Companies Act, 2013 your Board of Directors at their meeting held on February 14, 2014 has constituted a Committee called as CSR Committee.

The CSR Committee comprises of Mr. Nitin Kumar Didwania, Non-Executive Director, Mr. Saurabh Sanghvi, Executive Director and Ms. Alpa Parekh, Non-Executive & Independent Director.

The Committee so constituted has been entrusted with the responsibility for recommending to the Board about formulating and implementing a Corporate Social Responsibility Policy (CSR Policy).

FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
EARNINGS		
Dividend	126.32	774.56
TOTAL	126.32	774.56
OUTGO		
CIF Value of Imports Traded Goods	NIL	164.10
TOTAL	NIL	164.10

The Company has taken various initiatives for development of export markets for sale of various products in the International market to increase its foreign exchange earnings.

ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere appreciation for the support and co-operation received from the Government authorities, bankers, customers, employees, suppliers and Members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the dedicated efforts of the employees of the Company.

For and on Behalf of the Board of Directors

Sd/-

(Nitin Kumar Didwania)
CHAIRMAN & DIRECTOR

PLACE: Mumbai
DATE: 30th May 2014

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry Structure and Development

The Company is engaged in the business of imports, export, trading and distribution of chemicals and metals. The Company is also engaged in the generation of wind energy. International Monetary Fund has indicated that the world economy is expected to grow by 3.6% in 2014. Even though global economic activity has displayed the sign of improvement, but the domestic economy continues to be in a fragile state, due to high rate of inflation and unemployment.

Chemical Industry

Chemicals have become essential part of modern day life as it is widely used in a variety of products. In 1971 the global chemical output was estimated at a value of about \$171 billion and is estimated to have increased to about \$3.9 trillion in 2013.

The Chemical Industry has a vital role to play for the development of any Economy. Indian Chemical Industry is the 6th largest in the world and the 3rd largest in Asia. Product from the Chemical Industry have improved the quality of life world over and contributed significantly to everyone's day-to-day requirements. Industries are cautiously optimistic about future growth prospects.

The Indian Chemical Council (ICC Mumbai) and many analysts say that demand for Chemical products continues to rise in India in the year 2013-14. It is expected that your Company will increase its turnover substantially in the financial year 2013-2014.

Chemical Industry in India has graduated from manufacturing principal chemicals in a highly regulated market to being a mature industry in a liberalized economy. In India the chemical industry is among the fastest growing Industry. The bulk of chemicals produced in India comprise either upstream products or intermediates, which go into a variety of manufacturing applications including fertilizers, pharmaceuticals, textiles and plastics, agrochemicals, paints and dyes.

With Asia's growing contribution to the global chemical industry, India has emerged as one of the focus destinations for chemical companies worldwide.

It is expected that your Company will increase its turnover substantially in the financial year 2014-2015. Your Company also has a well developed and robust logistic and marketing network which affords the buyers in the multiple choices of chemical products at reasonably competitive rates.

Wind Energy

The growing consumption and steady increase in price of non renewable sources has forced the industries to look for alternative fuels that are available cheaply and can meet their growing demand for wind energy. New and renewable energy technologies are considered to be one of the viable options to meet the challenge of achieving sustainable development while conserving natural resources that have been depleted due to the rapid growth in population, urbanization and fossil fuel consumption.

The largest component of renewable generation capacity is wind power. Wind energy not only offers both a power source that completely avoids the emission of carbon dioxide, the main Green House Gas (GHG), but also produces none of the other pollutants associated with either fossil fuel or nuclear generation.

The Government's fiscal incentives for wind power generation will provide sufficient boost for wind power project.

2. Opportunities & Threats

Opportunities:

India's chemical industry is expected to grow at 15 per cent per annum to reach US\$ 290 billion by 2017. India's growing per capita consumption and demand for agriculture-related chemicals offers huge scope of growth for the sector in future. Given the substantial growth of chemical industry and in particular the Petro- chemical industry the Management feels the Company is in good stead to further develop and enter into various global markets.

Threats:

The Global inflation effect on costs especially the cost attributed to the logistic and supply chain management, cheaper substitutes by mass producing countries like China on account of low labour costs and forex fluctuations are likely threats having the effect of eroding the margins to some extent.

3. Outlook

The management is quite positive on its outlook in terms of revenue in the coming period as economies all over the world are slowly recovering and it is expected that the global markets will respond well to the products traded by the Company. With beginning of the re-emergence of healthy economic environment, barring unforeseen circumstances, your Company is optimistic and confident to receive large demands and given the current financial performance of the Company; the Board is confident in its outlook for future that the Company shall grow substantially over and above its demonstrated growth in terms of turnover and profits.

The Company's business of power generation through wind mills, being a non- conventional source of energy, set up in the State of Maharashtra and Tamil Nadu have generated a revenue of Rs. 77.91 lakhs for the period ended 31st March, 2014. The management is confident of steady growth over the coming period.

4. Risk and Concerns

- The margins could come under pressure due to increase in logistic costs and other expenses.
- Competition from mass exporting countries like China and Taiwan where manufacturing and labour costs are quite low.
- Adverse fluctuation in forex rates.

The Company evaluates and monitors all risks associated with various areas of operations such as sales, marketing, inventory management, debtor's management, insurance, supply chain management, legal and other issues having a material impact on the financial health of the Company on a regular basis with a view to mitigate the adverse impact of the risk factors.

5. Internal Control Systems

The Company has an internal control system in place which is commensurate with its size and nature of its business. The internal control system ensures that all the assets of the Company are safeguarded from loss, damage or unauthorized disposition. Checks and controls are in place to ensure that transactions are adequately authorised and recorded and reported correctly to the concerned personnel.

6. Financial Performance with respect to Operational Performance:

During the year consolidated Sales have grown by approximately 15.20% and consolidated Net Profit after Tax has increased by around 42.68% in comparison with the previous year.

Your Company has a low debt equity ratio and is well placed to take care of its borrowings availed by way of credit facilities and Term Loan.

7. Human Resource Management

The Company provides suitable environment for development of leadership skills which enables it to recruit and retain quality professionals in all fields. The employer- employee relationship is cordial and mutually supporting at all levels.

8. Cautionary Statement

Certain statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be forward- looking statements within the meaning of applicable laws and regulations. Actual results could differ from those expressed or implied.

For and on Behalf of the Board

Sd/-

Nitin Kumar Didwania
Chairman

PLACE: Mumbai

DATE: 30/05/2014