

# **VEENA TEXTILES LIMITED**

**KOMARAPALAYAM - 638 183.**



**46<sup>th</sup> ANNUAL REPORT**  
**2012 - 2013**

# VEENA TEXTILES LIMITED

KOMARAPALAYAM - 638 183

## BOARD OF DIRECTORS

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

Chairman cum Managing Director  
Director  
Director

## Bankers

The Karur Vysya Bank Ltd.,  
Komarapalayam

## Auditors

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

## Audit Committee

Shri R. Velmurugan - Chairman  
Shri K. Varadharajan

## Finance Committee

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

## Share Transfer Committee

Shri R. Velmurugan - Chairman  
Shri K. Varadharajan

## Investors Grievances Committee

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

## Marketing Committee

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

## Remuneration Committee

Shri R. Velmurugan - Chairman  
Shri K. Varadharajan

## Registered Office

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

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**VEENA TEXTILES LIMITED**  
KOMARAPALAYAM - 638 183



**NOTICE TO SHAREHOLDERS**

**NOTICE TO SHAREHOLDERS**

NOTICE is hereby given that the 46<sup>th</sup> Annual General Meeting of the Members of VEENA TEXTILES LIMITED will be held on Friday the 27<sup>th</sup> September, 2013 at 10.00 A.M. at 11-F, GANDHIPURAM, KOMARAPALAYAM - 638 183 to transact the following business :

**ORDINARY BUSINESS**

1. To consider and adopt the Balance Sheet as at 31<sup>st</sup> March 2013, Profit and Loss Account for the year ended on that date and the report of the Board of Directors and Auditors there-on.
2. To appoint a Director in place of Shri. K. Varadharajan, who retires by rotation in terms of Articles 79 of the Company's Articles of Association and being eligible offers himself for the re-appointment.
3. To appoint M/s. V.N.G. Nath Associates, Chartered Accountants, Chennai - 600 083 who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and authorise the Board of Directors to fix their remuneration.

By order of the Board  
Komarapalayam **K.S. Elavarashen**  
30<sup>th</sup> May, 2013 Chairman cum Managing Director

Details pursuant to Clause 49 of the listing agreement with regard to Shri. K. Varadharajan:

Name of the Director	Shri. K. Varadharajan
Date of Birth	21.06.1946
Date of Appointment	01.11.2006
Qualification	10 <sup>th</sup> Standard
Expertise in specific functional area	Having experience in Textile Trade
Details of other directorship	Nil
Details of the Committee and Membership status	Nil

**NOTES FOR MEMBERS' ATTENTION**

1. A member entitled to attend and vote, is entitled to appoint a proxy, who need not be a member. The instrument appointing proxy should, however, be deposited at the Registered office of the Company not less than forty eight hours before the commencement of the meeting.
2. Members / Proxies should bring the Attendance Slip duly filled in for attending the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 14<sup>th</sup> September, 2013 to 27<sup>th</sup> September 2013 (both days inclusive)
4. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copy of Annual Report to the meeting.
5. Members desiring any information regarding accounts are requested to write to the Company atleast seven days before the Meeting so as to enable the Management to keep information ready.
6. Members are requested to sign at the space provided in the enclosed attendance slip and hand over the slip at the entrance of the meeting hall.
7. The Companies (Amendment) Ordinance, 1999 has provided for a nomination facility for the shares held in a Company. The Nomination Form (Form 2B) along with instructions will be provided to the members on request. Interested members are requested to write to the Shares Department at the Registered Office of the Company.
8. No Gifts will be distributed at the meeting.

By order of the Board  
Komarapalayam **K.S. Elavarashen**  
30<sup>th</sup> May, 2013 Chairman cum Managing Director



# VEENA TEXTILES LIMITED

KOMARAPALAYAM - 638 183



## DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Members,

Your Directors present the 46th Annual Report and Audited Statement of Accounts for the year ended 31st March 2013.

### FINANCIAL RESULTS

	(Rupees in lacs)	
	2012-2013	2011-2012
Sales	25.26	8.17
Other Income	0.18	-----
Total Expenditure	26.37	18.91
Financial Charges	Nil	0.01
Gross Profit / (Loss)		
after interest before		
Depreciation and	-0.93	-10.75
Taxation		
Depreciation	9.02	9.44
Net Profit / (Loss)	-9.95	-20.19

### DIVIDEND

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

### GENERAL REVIEW OF THE YEAR

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

### DIRECTORS

During the year under review, Shri K. Varadharajan who retires by rotation and being eligible offers himself for the re-appointment. The details as required under listing agreement is attached.

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- that in the preparation of the annual accounts for the financial year ended 31st March, 2013, the applicable accounting standards had been followed along with proper explanation relating to material departures ;
- that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review :

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

- that the directors had prepared the accounts for the financial year ended 31st March, 2013 on a going concern basis.

### FIXED DEPOSITS

The Company has not accepted any deposits from the public.

### AUDITORS

M/s. V.N.G. Nath Associates, Chartered Accountants, Chennai - 600 083, the Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. The Company has received letter from them to the effect that their appointment, if made, would be within the prescribed limits under section 224(1-B) of the Companies Act, 1956. Accordingly, the said auditors are eligible for reappointment at the ensuing Annual General Meeting.

### COMPANY SECRETARY

The Company was unable to appoint Company Secretary due to financial constraints. However, the Company is taking steps to appoint a Company Secretary.

### REPORT ON CORPORATE GOVERNANCE :

#### 1. PHILOSOPHY OF CORPORATE GOVERNANCE

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

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

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

#### 2. BOARD OF DIRECTORS

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

(a) The composition of the Board of Directors as at 31st March, 2013 and the number of the directorship / committee memberships held by them are as under :



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## DIRECTORS' REPORT TO THE SHAREHOLDERS

Sl No.	Name of Director	Executive / Non Executive Independent	Number of other directorship	Membership on other Board Committees
1.	Shri. K.S. Elavarashen	Executive	—	—
2.	Shri. R. Velmurugan	Non-Executive & Independent	—	—
4.	Shri. K. Varadharajan	Non-Executive & Independent	—	—

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

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

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

The Board of Directors met 5 times during the financial year 2012-2013 i.e. on 25.05.2012, 09.08.2012, 28.09.2012, 10.11.2012 and 14.02.2013. The attendance of each director at each Board Meeting and the Annual General Meeting was as under :

Sl. No.	Name of Director	No. of Board Meetings attended	Attendance at last AGM	Salary	Other Benefit	Sitting fees
1.	Shri. K.S. Elavarashen	5	Yes	—	—	—
2.	Shri. R. Velmurugan	5	Yes	—	—	2500
4.	Shri K. Varadharajan	5	Yes	—	—	2500

### 3. COMMITTEES OF THE BOARD

#### AUDIT COMMITTEE

Overseeing the financial reporting process and direction of financial agenda, review of any change in accounting policies and practices, compliance with accounting standards and reviewing the adequacy of control system as per guidelines under clause 49 of the listing agreements as well as in Section 292A of the Companies Act, 1956.

The committee had four meetings during the year under review on 25/5/12, 9/8/12, 10/11/12 and 14/2/2013.

#### FINANCE COMMITTEE

The Committee held four meetings on 25/5/12, 9/8/12, 10/11/12 and 14/2/2013. During the year and they covered financial problems, general accounts, cost accounts and internal audit and controls.

#### SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

The role is to redress the grievances of shareholders, transfer of shares and dematerialisation, complaints from shareholders are attended to without delay and are dealt with in a month's time.

The Committee meetings held during the year were smooth and no serious grievance was brought to the notice. The committee held four meetings during the year under review on 25/5/12, 9/8/12, 10/11/12 and 14/2/2013.

#### MARKETING COMMITTEE

The role of the committee is to watch competitor's activities and be ever vigilant, so as to channelise our force effectively. Shri K.S. Elavarashen as chairman assisted by Shri. R. Velmurugan directed the marketing operation. The committee held four meeting during the year under review on 25/5/12, 9/8/12, 10/11/12 and 14/2/2013.

### 4. GENERAL BODY MEETING

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

Financial year	Date	Time	Location
2009-2010	30.09.2010	10.00 A M	11-F, Gandhipuram Komarapalayam
2010-2011	29.09.2011	10.00 A M	11-F, Gandhipuram Komarapalayam
2011-2012	28.09.2012	10.00 A M	11-F, Gandhipuram Komarapalayam

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

Date of AGM/EGM	Particulars of Special Resolution passed
30.09.2010	Nil
29.09.2011	Reappointment of Managing Director
28.09.2012	Nil

### 5. OTHER DISCLOSURES

Except for general slackness in trade due to overall general economic recession, there was nothing untoward or abnormal.

The year was a tough one for everyone and the industry which went through anxious spells as to how economy would swing had a real hard time.

The Company has not paid the listing fees for the Stock Exchanges of Ahmedabad, Madras, Mumbai and Coimbatore due to financial constraint.

### 6. MEANS OF COMMUNICATION

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



**VEENA TEXTILES LIMITED**  
KOMARAPALAYAM - 638 183



**DIRECTORS' REPORT TO THE SHAREHOLDERS**

7. General Shareholder Information :
- a) Annual General Meeting  
Date & Time : 27th September 2013, at 10.00 A.M.  
Venue : 11F, Gandhipuram Main Road,  
Komarapalayam - 638 183.
- b) Financial Calender (Tentative)  
Annual General Meeting : 27th September 2013  
Results for Q.E. 30.06.2013 : Second Week of Aug 2013  
Results for Q.E. 30.09.2013 : Second Week of Nov 2013  
Results for Q.E. 31.12.2013 : Second Week of Feb 2014  
Results for Q.E. 31.03.2014 : Last Week of May 2014
- c) Book Closure Date : 14.09.2013 to 27.09.2013  
(Both days inclusive)
- d) Dividend Payment Date : Not Applicable
- e) Listing of Equity Shares on Stock Exchanges at : Mumbai, Ahmedabad, Chennai
- f) Demat ISIN No : INE 728 E 01010
- g) Stock Market Date : Shares were not traded in any of the Stock Exchanges
- h) Registrars & Transfer Agents : M/s. S K D C Consultants Limited,  
Kanapathy Towers, 3rd Floor,  
1391/A-1, Sathy Road, Ganapathy,  
Coimbatore - 641 006. Ph.: 0422 - 6549995  
Fax : 0422 - 2539837 Email : info@skdc-consultants.com
- i) Share Transfer Systems : Presently share transfers which are recorded in physical form are processed within 21 days from the date of receipt subject to the documents being valid and complete in all respects. In respect of demat, the same is done within 30 days from the date of demat request.
- j) (a) Share holding pattern as on 31.03.2013
- |   | No. of Shares | Percentage |
|---|---------------|------------|
| 01. Directors & relatives                                 | 2701720       | 33.63      |
| 02. Indian Financial Institutions<br>Banks & Mutual Funds | 1117500       | 13.91      |
| 03. Foreign Institutional Investors / NRIS                | 36200         | 0.45       |
| 04. Others  | 4179880       | 52.01      |

(b) Distribution of Share holding as on 31.03.2013

(1) Value (Rs.)	(2) No. of Shareholders	(3) %	(4) Amount	(5) %
Upto 5,000	13688	92.95	25654000	31.93
5001 - 10,000	672	4.56	5130000	6.38
10,001 - 20,000	271	1.84	3763000	4.68
20,001 - 30,000	39	0.26	997000	1.24
30,001 - 40,000	17	0.12	608000	0.76
40,001 - 50,000	7	0.05	334000	0.42
50,001 - 1,00,000	15	0.10	1007000	1.25
1,00,001 and above	17	0.12	42860000	53.34
Total	14726	100.00	80353000	100.00



# VEENA TEXTILES LIMITED

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## DIRECTORS' REPORT TO THE SHAREHOLDERS

- k) Dematerialisation of Shares :  
The shares of the company are available for demat and 120400 shares were demated as on 31.03.2013 and the shares are not traded in any of the Stock Exchanges during the year under review.
- l) Plant Location : All the Plants are located in Komarapalayam
- m) Investor Correspondence : Secretarial Department  
Veena Textiles Ltd., 309 Salem Main Road,  
Komarapalayam - 638 183. Tel : 04288 - 260815  
Fax : 04288 - 261982 E.mail : veena\_vtl@yahoo.in
- n) i) No. of complaints received from share holders : 3  
ii) No. of Complaints Not solved : Nil  
iii) No. of Pending transfers : Nil
- o) Compliance Officer : Sri K.S. Elavarashen

### MANAGEMENT DISCUSSION AND ANALYSIS

#### A. Industry Structure & Development :

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

Provides direct and indirect employment to 30 million people.

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

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

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

#### C. Outlook :

The Company continues to be significant player in the Plain and Dhoty market and continuously innovating new value added products to maintain its trade name "Veena".

#### D. Internal Control System and their adequacy :

The Company has a proper and adequate internal control system to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition and that transactions are authorised, recorded and reported correctly.

#### E. Financial and operational Performance :

Please refer, the Board of Directors report on Financial Results.

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

The Company recognises the importance and contribution of its Human Resources for its growth and development and committed to the development of its People.

#### G. Cautionary Statement :

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

#### 8. COMPLIANCE WITH CORPORATE GOVERNANCE NORMS

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

#### DEMATERIALISATION

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

#### LISTING

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

#### PARTICULARS OF EMPLOYEES

a) No employee of the Company was in receipt of remuneration during the financial year 2012-2013 in excess of the sum prescribed under section 217(2A) (a) of the Companies Act, 1956 read with Companies (particulars of Employees) Rules, 1975.