



th
39 **ANNUAL**
REPORT
2012-2013
VELJAN DENISON LIMITED



BOARD OF DIRECTORS	:	Shri V. C. JANARDAN RAO Chairman Shri SRINIVAS VG Managing Director Shri G. K. KABRA Independent Director Shri M.L. MOTWANI Independent Director Shri V. PATTABHI Independent Director
COMPANY SECRETARY	:	K. Girija Bala
AUDITORS	:	M/S. BRAHMAYYA & CO Chartered Accountants Flat No 403 & 404, 4th Floor Golden Green Apartments, Erramanzil Colony, Hyderabad-500 082
BANKERS	:	Canara Bank Syndicate Bank
REGISTERED OFFICE	:	Plot No.44, 4th Floor, HCL Towers, Chikoti Gardens, Begumpet, Hyderabad - 500 016. Ph.No.040-27764546 Fax No.040-27765253
FACTORY	:	Plot No. 9, Phase-I, I.D.A, Industrial Development Area, Patancheru - 502 319, Medak District, Andhra Pradesh. Ph.No.08455-242013, 242020 & 242049 Fax No.08455-242085
REGISTRAR AND SHARE TRANSFER AGENTS	:	M/s Venture Capital and Corporate Investments Limited 12-10-167, Bharath Nagar, Hyderabad - 500 018. Phone : 040-23818475

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 39th Annual General Meeting of M/s. Veljan Denison Limited will be held on Monday the 30th day of September, 2013, at 11.00 A.M. at Plot No. A18 & 19, APIE, Balanagar, Hyderabad. A.P. 500 037. to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and Statement of Profit & Loss for the year ended as at that date and the Reports of the Directors' and Auditors' thereon.
2. To declare Dividend for the financial year ended 31st March 2013.
3. To re-appoint a Director in place of Shri M.L.Motwani, who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint M/s. Brahmayya & Co, Chartered Accountants, Hyderabad as the Statutory Auditors of the Company and to pass with or without modification the following resolution as an

Ordinary resolution:

"RESOLVED THAT pursuant to Section 224 and other applicable provisions, if any of the Companies Act, 1956 M/s. Brahmayya & Co, Chartered Accountants, Hyderabad be and are hereby reappointed as the statutory Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and that the Board be and is hereby authorized to fix their remuneration."

SPECIAL BUSINESS:

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

"RESOLVED that Shri B.S.Srinivasan who was appointed as Additional Director of the company and who holds office as such upto the date of ensuing Annual General meeting and in respect of whom notices under section 257 of the Companies Act, 1956, has been received from a member signifying his intention to propose Shri B.S. Srinivasan , as a candidate for the office of Director of the company, be and is hereby appointed as Director of the company liable to retire by rotation."

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

“RESOLVED THAT pursuant to Section 293(1)(e) of the Companies Act, 1956 and subject to the Articles of Association consent of the members be and are hereby accorded to the Board of Directors to contribute at its discretion from time to time during the financial year by way of donations or charities, not directly related to the business of the Company or welfare of its employees, which in aggregate may exceed Rs.50,000 or 5% of the Company's average net profit during the three immediately preceding financial years, subject to a maximum of Rs.3,00,00,000/ (Rupees Three Crore only).”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board or the constituted committee be and hereby authorized to finalize and to execute such documents, agreements, deeds and papers as it may in its absolute discretion deem expedient with regard to the aforesaid resolution.”

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

"RESOLVED THAT pursuant to Sections 198, 269, 309 and 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the Companies Act, 1956, including any statutory modification(s) or enactment(s) thereof, for the time being in force, Shri Srinivas VG be and is hereby re-appointed as the Managing Director of the Company with effect from 1.03.2013 for a period of 3 (Three) years on remuneration and perquisites as provided below payable for a period of 3 years subject to ceiling limits of the Companies Act, 1956:

1. Basic Salary: Rs.1,45,420/- per month.
2. Commission: The commission will be in addition to the salary, perquisites and allowances. The amount of commission shall not exceed 2% of the profits of the Company in a year and shall be subject to the overall ceilings laid down in Sections 198 and 309 of the Companies Act, 1956

In addition to the salary and commission as stated above, Shri Srinivas VG shall be entitled to the following perquisites and allowances, subject to the overall remuneration in a financial year not exceeding the maximum limits prescribed from time to time under Section 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII of the Said Act.

Category A:

- a. House Rent
- b. Medical Reimbursement
- c. Leave travel concession: Actual expenditure incurred for self and family once in a year
- d. Club fee: Fees of clubs subject to a maximum of two clubs, admission and life membership fees not being allowed
- e. Insurance: Personal Accident Insurance, Medical Insurance and such other Insurance subject to the overall limits

The above mentioned perquisites and allowances shall be paid on par with those for the Senior Managerial Personnel.

Category B:

- i. Contribution towards provident fund and superannuation fund/Pension fund to the extent either of these singly or put together are not taxable under the Income Tax Act, 1961
- ii. Gratuity payable in accordance with the rules of the Company will not be included in the computation of ceiling of remuneration
- ii. Provision of car for use on Company's business and telephone (mobiles) at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to Managing Director
- iv. Earned/Privileged leave on full pay and allowance as per rules of the Company. Leave accumulated but not availed of during his tenure may be allowed to be encashed as per the rules of the Company

Overall remuneration:

The aggregate of Salary, Commission, Perquisites and allowance in any financial year shall not exceed the limits prescribed from time to time under Section 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act, for the time being in force

Minimum Remuneration:

Where in any financial year, during the tenure of Shri Srinivas VG, the Company has no profits or its profits are inadequate, the Company shall pay to Shri Srinivas VG, remuneration by way of Salary and perquisites not exceeding the limits specified in Schedule XIII of the Companies Act, 1956 including any statutory modifications thereof for the time being in force

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take all necessary steps as may be necessary to give effect to the above resolution.”

By order of the Board
FOR VELJAN DENISON LIMITED

Place: Hyderabad
Date: 30/08/2013

V. C. Janardan Rao
Chairman

Notes:

- a) An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business items is annexed hereto.
- b) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the Company. The instrument appointing a proxy, to be effective, should be deposited at the registered office of the Company not less than 48 hours before the Meeting.
- c) Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
- d) The Share Transfer Register and Members Register will remain closed from 27th September, 2013 to 30th September, 2013 (both days inclusive) for the purpose of dividend and Annual General Meeting.
- e) The Dividend on Equity Shares as recommended by the Board of Directors for the year ended 31st March, 2013 will be payable to those members whose names appear in the Register of Members of the Company on 26th September, 2013. In case of shares held in Electronic Form, the dividend will be payable on the basis of beneficial ownership as per the details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose as on 26th September, 2013.
- f) Members/proxies are requested to fill in the enclosed attendance slip and deposit the same at the entrance of the meeting gate.
- g) Members are requested to intimate immediately to the Company, change of address, if any.
- h) Pursuant to the requirements of the Listing agreement of Stock Exchanges on Corporate Governance, the information about the Directors proposed to be appointed/re-appointed is given in the annexure to the Notice.
- i) To avoid entry of unauthorized persons into the meeting premises, the signature of the members shall be verified with the specimen signature recorded with the Company at the entrance of the Venue. Inconvenience to members in this regard is highly regretted. The members are requested to carry their folio number with them.
- j) Members who hold shares in dematerialized form are requested to bring their client ID and DPID numbers for easy identification.

Explanatory Statement

(Pursuant to the provisions of Section 173 (2) of the Companies Act, 1956)

Item 5:

The Board with a view to broadbase the Board Structure and to have the expert knowledge and experience has appointed Shri B.S.Srinivasan as Additional Director of the company in the Board Meeting held on 30th August,2013. Pursuant to Section 260 of the Companies Act, 1956 he holds office upto ensuing Annual General Meeting

A Notice has been received under section 257 of the Companies Act,1956, from a Member, signifying his intention proposing his appointment as Director of the Company.

Your directors recommend the aforesaid resolution as set out in item no 5 of the notice for your approval as Ordinary resolution.

None of the directors are interested in the aforesaid resolution except the appointee.

Item 6:

As per the provisions of Section 293(1) (e) of the Companies Act, 1956, inter alia, provides that any amount contributed to any charitable purpose, not directly relating to the business of the Company or the welfare of the employees, the aggregate of which exceeds Rs. 50000 or five percent of the Company's average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the 3 financial years immediately preceding the year in which the contribution has been made, requires the approval of the members of the Company authorizing the Board for the same as aforesaid.

In view of the Company's obligations to the society at large and other social welfare and charitable funds, the Board of Directors of your Company places this resolution for your approval

Hence, the resolution is recommended for your approval.

None of the Directors are interested in the resolution except to the extent of their shareholding.

Item 7:

Shri Srinivas VG is a B.E.,M.Sc (Bath University,UK) and has about 19 years of experience in Hydraulic Products. He has been on the Board of the Company since 30-05-1994 and has played a major role in the development of the company.

Keeping in view of his experience and contributions, the management of your Company places the proposal for reappointment of Shri Srinivas VG as Managing Director of the Company with effect from 1st March,2013 at a remuneration as detailed in the resolution.

Hence,the resolution for reappointment as Managing Director of the Company is placed for your approval.

None of the directors of the Company except Shri Srinivas VG, and Shri V.C.Janardan Rao, Chairman is deemed to be concerned or interested in the resolution.

By order of the Board
FOR VELJAN DENISON LIMITED

Place: Hyderabad
Date: 30-08-2013

V. C. Janardan Rao
Chairman

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING (PURSUANT TO CLAUSE NO.49 OF THE LISTING AGREEMENT)

1. Name : Shri M.L .Motwani
2. Age : 77 Years
3. Educational Qualifications : B. E.(Mech),Post Graduate diploma in Industrial Marketing
4. Date of Appointment : 25/07/2000
5. Experience : Retired as Senior Executive from M/s Shriram Fuel Injection and Industries Limited- Hyderabad
6. No of Shares held : NIL

BRIEF PROFILE OF THE DIRECTORS TO BE APPOINTED/REAPPOINTED AT THE ENSUING ANNUAL GENERAL MEETING:

1. Name : Shri B. S. Srinivasan
2. Age : 68 Years
3. Educational Qualifications : B. Com, F.C.A
Fellow Member of Institute of Chartered Accountants of India.
4. Date of Appointment : 30/08/2013
5. Experience : From 1971 Dec to Dec 1972:
Worked with M/s. Fraser& Ross Chartered Accountants - As audit assistant.
- From Jan 1973 to April 1974:
Worked as CEO of medium size private manufacturing company