



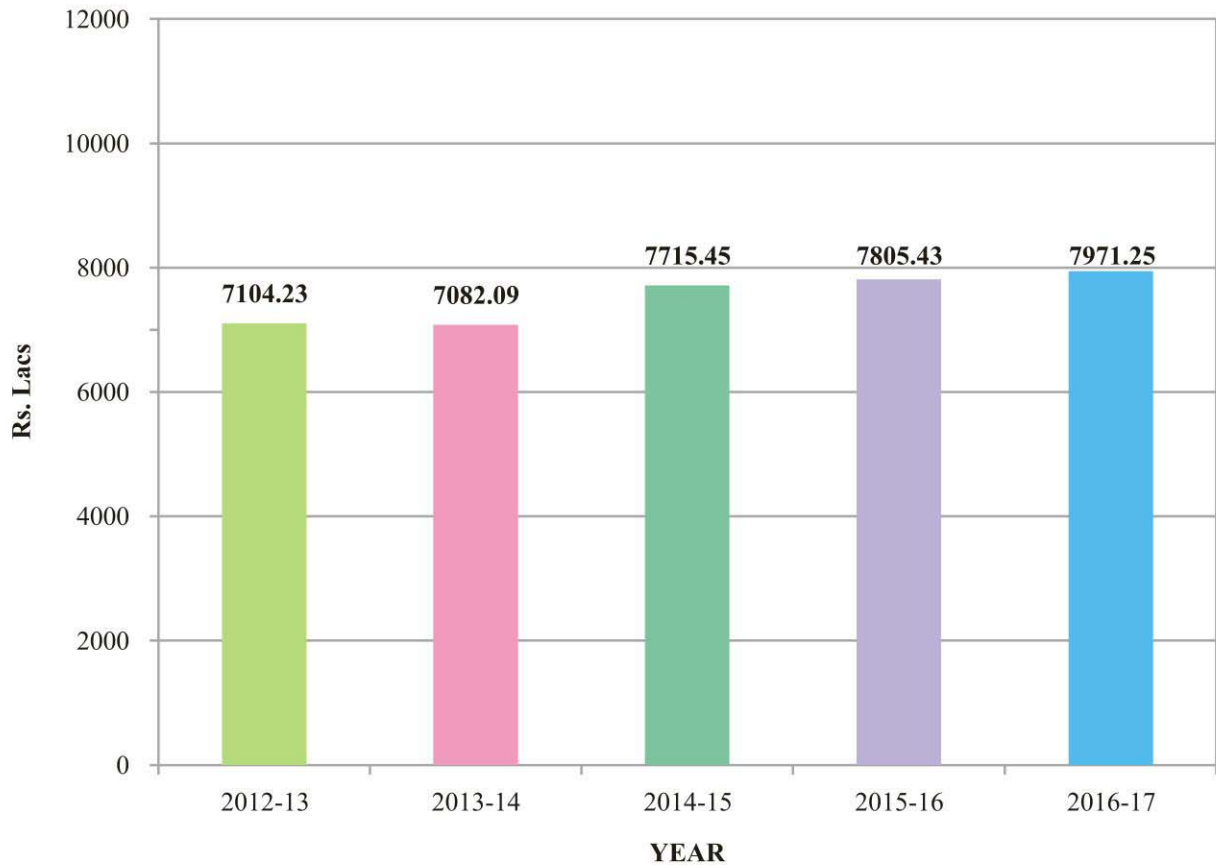
# 43<sup>rd</sup> ANNUAL REPORT

## 2016 - 2017

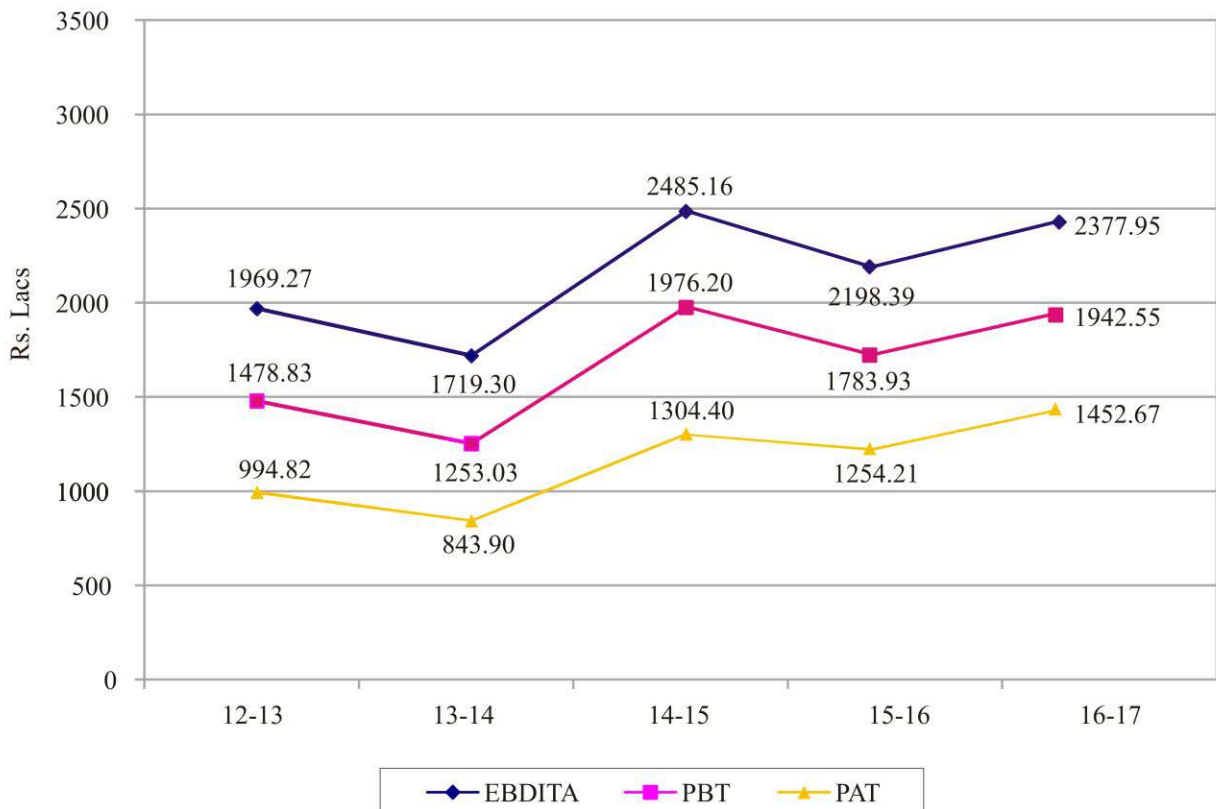


**VELJAN DENISON LIMITED**

## NET SALES



## PROFIT TREND



**BOARD OF DIRECTORS :**

**Shri. V. C. JANARDAN RAO**  
Chairman and Managing Director

**Shri. G. K. KABRA**  
Independent Director

**Shri . M.L. MOTWANI**  
Independent Director

**Shri, V. PATTABHI**  
Independent Director

**Shri. B.S.SRINIVASAN**  
Independent Director

**Smt. U.UMA DEVI**  
Director

**BOARD'S SUB – COMMITTEES**

**1. Audit Committee**

Shri. V. PATTABHI - Chairman  
Shri. B.S. SRINIVASAN  
Shri. M.L. MOTWANI

**2. Corporate Social Responsibility(CSR) Committee**

Shri. V. C. JANARDAN RAO- Chairman  
Shri. B.S.SRINIVASAN  
Shri . M.L. MOTWANI

**3. Nomination & Remuneration Committee**

Shri. G. K. KABRA - Chairman  
Shri. M.L. MOTWANI  
Shri. V. PATTABHI

**4. Stakeholder's Relationship Committee**

Shri. V. PATTABHI - Chairman  
Shri. V. C. JANARDAN RAO  
Shri . M.L. MOTWANI

**SENIOR MANAGEMENT**

**Chief Finance Officer :**  
Shri. DHEERAJ KUMAR  
(Resigned w.e.f. 21.08.2017)

**Company Secretary:**  
Shri. S JASMINDER SINGH  
(Resigned w.e.f. 10.08.2017)

**Statutory Auditors :**

M/S. BRAHMAYYA & CO.,  
Chartered Accountants  
Flat No 403 & 404, 4th Floor  
Golden Green Apartments,  
Erramanzil Colony, Hyderabad – 500082

**Secretarial Auditor :**

M/S BS & Company, Company Secretaries LLP  
5-9-22/71A, Ground Floor, MCH No.250, Near Birla  
Temple, Adarsh Nagar, Hyderabad – 500063

**Internal Auditor:**

M/S M V NARAYANA REDDY & CO  
Chartered Accountants  
Flat No.504, Vijaya Sree Apartments  
Behind Chermas, Ameerpet  
Hyderabad – 500073

**Cost Auditor:**

M/s. SRK & Co.,  
Cost Accountants, # 205, 3rd Floor, Reliance Krishna  
Apts, Hillfort Road, Hyderabad – 500 004

**Bankers:**

Canara Bank  
HDFC Bank Ltd.

**Registered Office:**

Plot No.44, 4th Floor, HCL Towers, Chikoti Gardens,  
Begumpet, Hyderabad- 500016, Telangana.  
Ph.No.: 040-27764546  
Fax No.: 040-27765253

**Factory:**

Plot No. 10A, Phase-I, I.D.A,  
Patancheru - 502 319, Medak District, Telangana  
Ph. No.: 08455-242013, 242020 & 242049,  
Fax No.: 08455-242085

**Registrar And Share Transfer Agents**

M/s Venture Capital and  
Corporate Investments Private Limited  
12-10-167, Bharath Nagar, Hyderabad - 500 018.  
Phone : 040-23818475

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**HIGHLIGHTS OF TEN YEAR'S PERFORMANCE**

Particulars	2006-07	2007-08	2008-09	2009-11 (18 Months)
1. Sales & other income	5113.01	6438.87	4274.72	10219.37
2. Profit Before int, dep & tax	1699.28	1769.91	1271.29	3301.38
3. Profit before extraordinary/exceptional Items & Tax	1508.53	1443.18	837.21	2575.86
4. Profit after Tax	921.97	851.40	471.33	1697.30
5. Net Fixed Assets	1780.04	2594.78	3223.39	3411.96
6. Share Capital	180.00	180.00	180.00	180.00
7. Reserves & surplus	2737.60	3483.71	3850.09	5389.97
8. Net Worth	2917.60	3663.71	4030.09	5569.97
9. Return on Net worth(RONW) PAT/Networth	31.60%	23.24%	11.70%	30.47%
10. Return on Avg.Capital Employed (ROCE)	0.18	0.11	0.06	0.17
11. Cash Earnings per share(Rs)	58.49	58.04	41.39	122.43
12. Earnings per share (Rs)	51.22	47.30	26.19	94.29
13. Dividend per Share (Rs)	5.00	5.00	5.00	7.50
14. Book Value per Share(Rs)	162.09	203.54	223.89	309.44
15. Sundry Debtors - No of Days	135	122	126	200
16. Turnover/Avg Inventory (Times)	3.66	3.56	2.38	2.82
17. Current Ratio	1.94	2.30	2.61	2.28
20. Debt-Equity Ratio	0.85	0.97	0.63	0.61

**HIGHLIGHTS OF TEN YEAR'S PERFORMANCE**

<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
8370.12	7375.52	7400.61	8187.41	8076.70	8325.42
2313.93	1969.27	1719.30	2485.16	2198.39	2377.95
1788.99	1478.83	1253.03	1976.20	1783.93	1942.55
1134.37	994.82	843.90	1304.40	1254.21	1452.67
3301.50	3096.36	2878.52	2666.09	2934.23	2708.83
225.00	225.00	225.00	225.00	225.00	225.00
6328.21	7125.61	7772.08	8813.24	9796.65	11249.32
6553.21	7350.61	7997.08	9038.24	10021.65	11474.32
17.31%	13.53%	10.55%	14.43%	12.52%	12.66%
0.10	0.07	0.06	0.07	0.07	0.06
65.55	58.66	51.67	71.06	67.14	76.51
50.42	44.21	37.51	57.97	55.74	64.56
7.50	7.50	7.50	10.00	10.00	10.00
291.25	326.69	355.43	401.70	445.41	509.97
171	225	167	279	291.16	244.92
3.54	2.76	2.89	2.58	2.94	2.75
2.38	2.15	2.67	2.62	3.70	3.44
0.47	0.55	0.45	0.47	0.34	0.36

**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 43rd Annual General Meeting of M/s. Veljan Denison Limited (CIN: L29119TG1973PLC001670) will be held on Wednesday the 27th day of September, 2017, at 11.30 A.M. at Plot No. A18 & 19, APIE, Balanagar, Hyderabad, Telangana-500037 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Financial Statements for the year ended 31st March, 2017 and the Reports of the Boards' and the Auditors' thereon.
2. To declare final dividend for the financial year 2016-17.
3. To elect and appoint a Director in place of Sri. V.C. Janardan Rao (DIN: 00181609), Chairman and Managing Director who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 139 and 142 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. K. S Rao & Co, Chartered Accountants, Hyderabad (FRN: 003109S) be and are hereby appointed as the Statutory Auditors of the Company for a period of 5 years, to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Forty Eighth AGM to be held in the year 2022 in place of existing Statutory Auditors M/s. Brahmayya & CO. who retire at this Annual General Meeting, subject to ratification at every Annual General Meeting and that the Board be and is hereby authorized to fix their remuneration.”

By order of the Board  
**FOR VELJAN DENISON LIMITED**

Place: Hyderabad  
Date: 26/08/2017

V. C. Janardan Rao  
Chairman & Managing Director  
DIN: 00181609

**Explanatory Statement****(Pursuant to the provisions of Section 102 of the Companies Act, 2013)**

The following statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

**ITEM NO.3:**

At the 41st Annual General Meeting of the Company held on 30th September, 2015, the Members have approved the re-appointment of Mr. VC Janardan Rao as the Managing Director of the Company with effect from January 1, 2015 up to December 31, 2019.

However, in terms of Section 152(6)(a) of the Companies Act, not less than two-thirds of the 'total number of directors' of a public company are liable to retire by rotation, unless the articles of association of such company provide for retirement of all directors at every annual general meeting. The explanation to Section 152(6)(a) states that the term 'total number of directors' shall not include independent directors of a company. Further, Section 149(13) of the Companies Act provides that, Sections 152(6) and 152(7) dealing with retirement of directors by rotation shall not be applicable to independent directors.

The Board of the Company comprises of six directors of which four are independent directors, one Non-Executive Women Director and one Managing Director.

In accordance with Section 152(6)(C) of the Companies Act, one-third of the total number of directors are liable to retire by rotation, or if their number is neither three nor a multiple of three, then the number nearest to one-third, shall retire at the AGM of the company every year.

In order to ensure compliance of Section 152 of the Companies Act, 2013, Mr. VC Janardan Rao, Chairman and Managing Director agreed to retire at this annual general meeting and, being eligible, is seeking re-appointment. This retirement and re-appointment is only to comply with the provisions of the Companies Act, 2013 and as such shall not be treated as break in the employment of Mr. VC Janardan Rao as Managing Director if he is re-appointed at the AGM.

In view of the above, the Board recommends the reappointment of Mr. VC Janardan Rao as Director and his continuation as the Managing Director of the Company on the terms and conditions approved by the members at their earlier meetings.

A brief profile of Mr. VC Janardan Rao is given in the Annexure to this Notice, as required under SEBI LODR Regulations.

Except for Mrs U. Uma Devi, Mr. VC Janardan Rao is not related to any other Director and Key Managerial Personnel of the Company.

Except Mr. VC Janardan Rao & Smt. U Umadevi and their relatives, no Director and/ or key managerial person is in any way concerned or interested in the Resolution at Item No.3 of the Notice.

**ITEM NO.4**

The existing Statutory Auditors, M/s. Brahmayya & Co., Chartered Accountants, were appointed until the conclusion of the 43rd Annual General Meeting.

In view of the mandatory requirement for rotation of auditors upon completion of 10 years of association with a company, in terms of Section 139 of the Companies Act, 2013, M/s. Brahmayya & Co. will retire as Company's Auditors at the conclusion of the ensuing 43rd Annual General Meeting. It is proposed to appoint M/s. K S Rao & Co. as the new Statutory Auditors of the Company. The Board of Directors (the "Board"), based on the recommendation of the Audit Committee, had recommended appointment of M/s. K S Rao & Co. as the Statutory Auditors of the Company for a period of five continuous years i.e. from the conclusion of 43rd Annual General Meeting till the conclusion of 48th Annual General Meeting of the Company.

M/s. K S Rao & Co. have informed the Company that their appointment, if made, would be within the limits prescribed under Section 141 of the Companies Act, 2013. M/s. K S Rao & Co. have confirmed that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold valid certificates issued by the Peer Review Board of the ICAI. M/s. K S Rao & Co. have also furnished a declaration in terms of Section 141 that they are eligible to be appointed as auditors and that they have not incurred any disqualification under the Companies Act 2013.

The Board recommends appointment of M/s. K S Rao & Co. as Statutory Auditors of the Company from the conclusion of 43rd Annual General Meeting up to the conclusion of 48th Annual General Meeting of the Company, subject to ratification at every Annual General Meeting.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are in any way concerned or interested in the Ordinary Resolution as set out in Item No. 4 of the Notice.

By order of the Board  
**FOR VELJAN DENISON LIMITED**

Place: Hyderabad  
Date: 26/08/2017

V. C. Janardan Rao  
Chairman & Managing Director  
DIN: 00181609

**Notes:**

- a) 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. A proxy form for the AGM is enclosed.
- b) 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.
- c) An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business items as set out in the Notice is annexed hereto.
- d) The Shareholders of the Company are informed that the amount of dividend which remains unclaimed for a period of 7 years would be transferred to the Investor Education and Protection Fund [“the fund”] constituted by the Central Government and the shareholder(s) would not be able to claim any amount of the dividend so transferred to the Fund. All unclaimed/ unpaid dividends declared for and up to the financial year 2008-2009 had been transferred to the fund by the company.
- e) The shareholders who have not encashed their earlier dividend warrants are requested to write to the Company immediately for claiming outstanding dividends declared by the Company.
- f) As per RBI notification, with effect from 1st October, 2009, the remittance of the money through ECS was replaced by National Electronic Clearing Service (NECS) and banks have been instructed to move to the NECS Platform. For the shareholders holding shares in electronic form, please furnish the new Bank Account Number as allotted to you by the bank after implementation of its Core Banking Solutions along with a photocopy of a cheque pertaining to the concerned account to your Depository Participant.
- g) The Equity shares of the Company are tradable in dematerialized form. In view of the same and to avail the inbuilt advantages of the ECS payment, nomination facility and other advantages, the shareholders are requested to get their shares in demat form. The Company ISIN No. INE232E01013.
- h) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the R & T Agent, namely M/s. Venture Capital and Corporate Investments Private Limited, 12-10-167, Bharath Nagar, Hyderabad 500018, Telangana. Phones: 040- 23818475