

To
The Manager,
Dept of Corp. Services,
BSE Limited,
Dalal Street, P.J.Towers
Mumbai - 400 001

Date: September 8, 2022

Dear Sir/Madam,

Sub: Submission of Annual Report for the year 2021-22 - Reg

Ref: VELJAN DENISON LIMITED

Scrip Code: 505232

Pursuant to Regulation 34- (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report 2021-22 of Veljan Denison Limited.

This is for your information and record.

Thanking You,

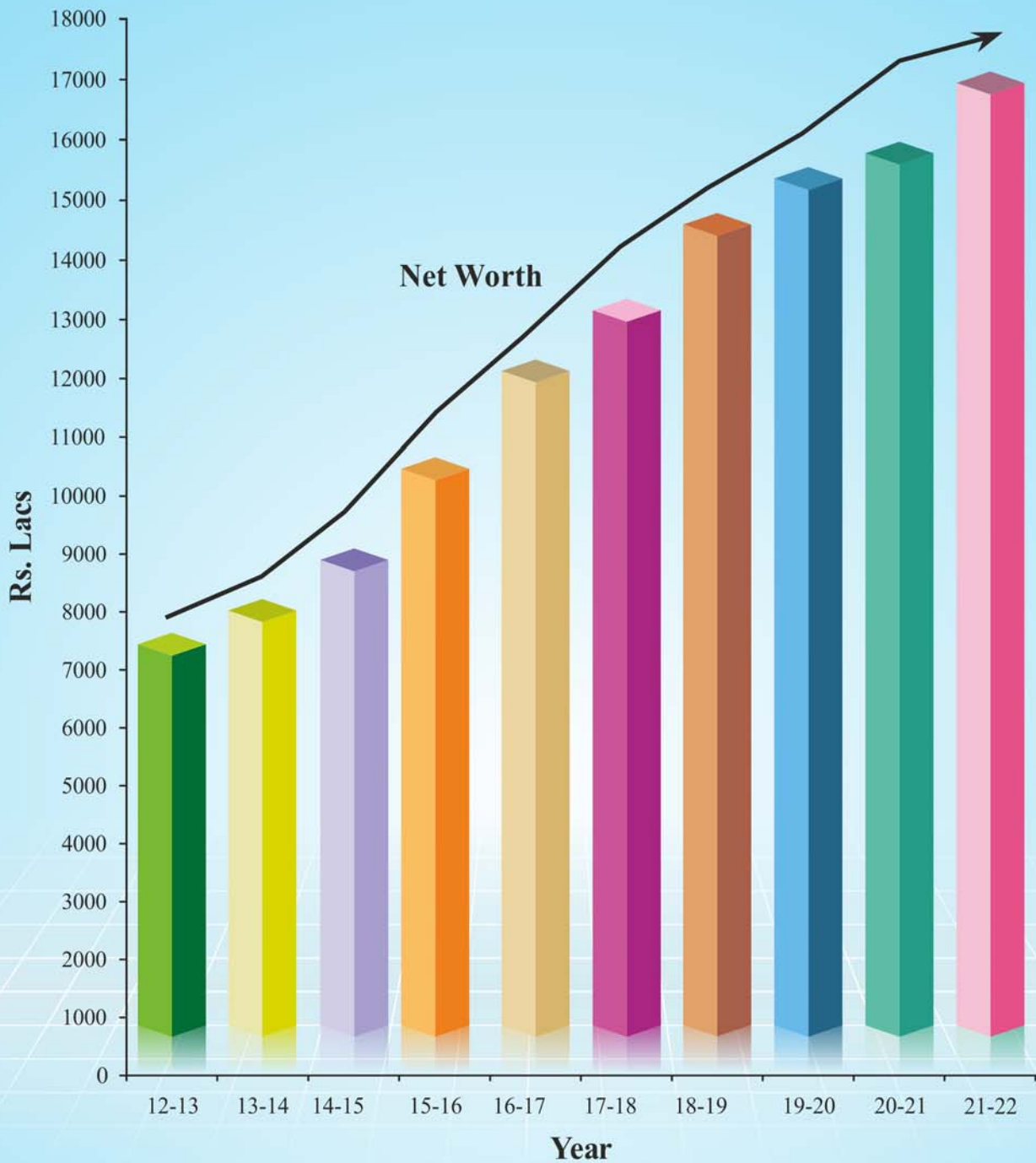
Yours Truly,
For **VELJAN DENISON LIMITED,**


B. Narahari
Company Secretary
M. No: A16987



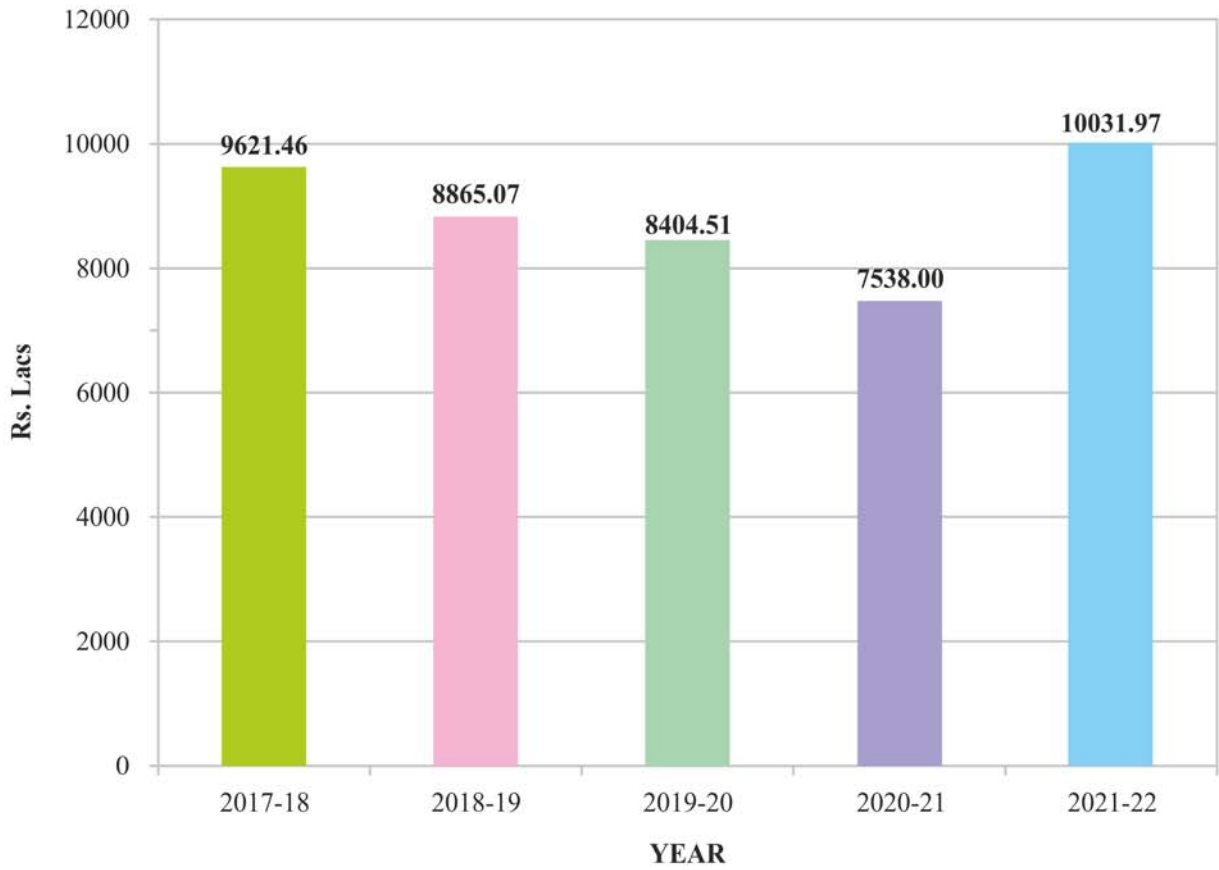


48th ANNUAL REPORT 2021 - 2022

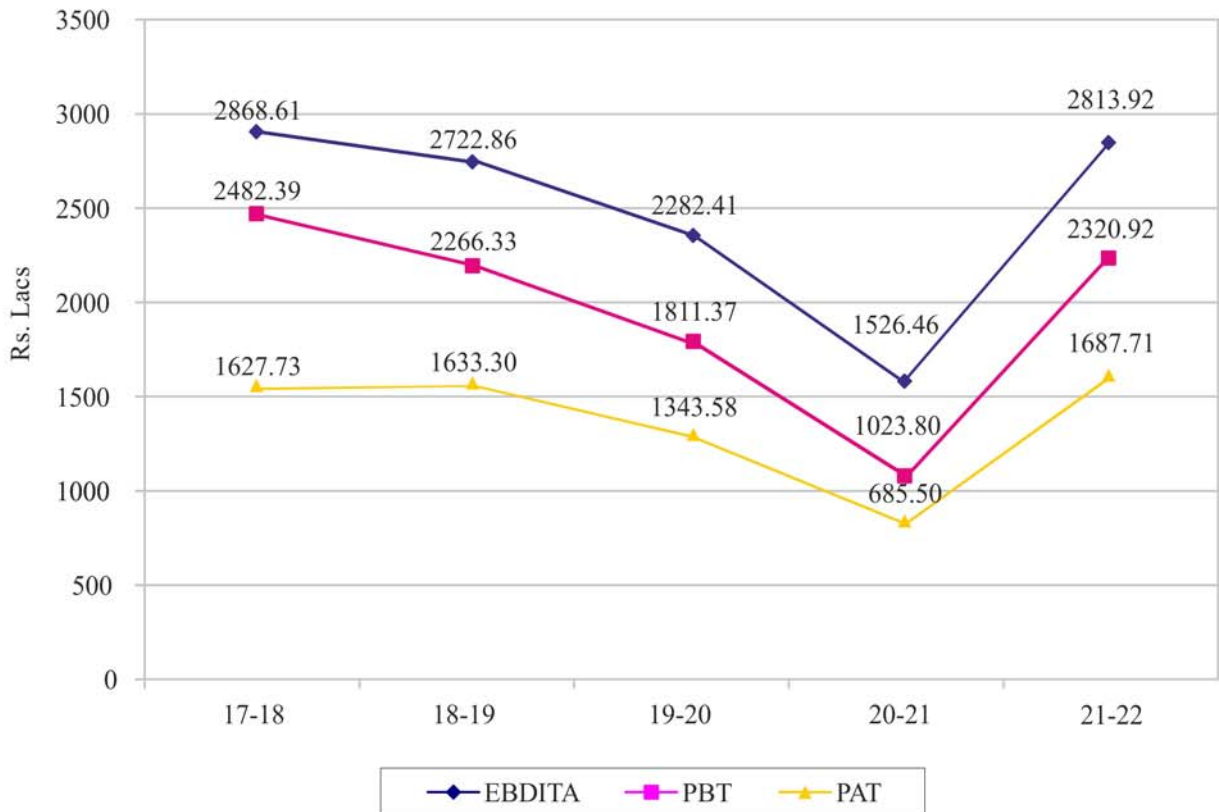


VELJAN DENISON LIMITED

REVENUE



PROFIT TREND



BOARD OF DIRECTORS :

(As on 06-09-2022)

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

Shri. U. SRI KRISHNA
Executive Director & CEO

Shri. A. SURESH
Independent Director

Shri. B.S.SRINIVASAN
Independent Director

Shri. G. NARAYAN RAO
Independent Director

Smt. U.UMA DEVI
Director

BOARD'S SUB – COMMITTEES**1. Audit Committee**

Shri. B.S. SRINIVASAN- Chairman
Shri. A. SURESH
Shri. G. NARAYAN RAO
Shri. U. SRI KRISHNA

2. Corporate Social Responsibility(CSR) Committee

Shri. V. C. JANARDAN RAO- Chairman
Shri. B.S.SRINIVASAN
Smt . U. UMA DEVI

3. Nomination & Remuneration Committee

Shri. B.S.SRINIVASAN - Chairman
Smt . U. UMA DEVI
Shri. G. NARAYAN RAO

4. Stakeholder's Relationship Committee

Shri. B.S.SRINIVASAN - Chairman
Shri. V. C. JANARDAN RAO
Shri. U. SRI KRISHNA

SENIOR MANAGEMENT**Chief Financial Officer :**

Shri. G. SUBBA RAO

Company Secretary:

Shri. B. NARAHARI

Statutory Auditors :

M/S. K.S.RAO & CO.

Chartered Accountants

Flat No 603, 6th 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

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, Sangareddy 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

(Figures in Rs Lakhs)

Particulars	2012-13	2013-14	2014-15	2015-16
1. Sales & other income	7,375.52	7,400.61	8,187.41	8,076.70
2. Profit Before int, dep & tax	1,969.27	1,719.30	2,485.16	2,198.39
3. Profit before extraordinary/exceptional Items & Tax	1,478.83	1,253.03	1,976.20	1,783.93
4. Profit after Tax	994.82	843.90	1,304.40	1,254.21
5. Net Fixed Assets	3,096.36	2,878.52	2,666.09	2,934.23
6. Share Capital	225.00	225.00	225.00	225.00
7. Reserves & surplus	7,125.61	7,772.08	8,813.24	9,796.65
8. Net Worth	7,350.61	7,997.08	9,038.24	10,021.65
9. Return on Net worth(RONW) PAT/Networth	13.53%	10.55%	14.43%	12.52%
10. % of Employee cost to net turnover	9.52	9.31	8.65	9.13
11. Cash Earnings per share(Rs)	58.66	51.67	71.06	67.14
12. Earnings per share (Rs)	44.21	37.51	57.97	55.74
13. Dividend per Share (Rs)	7.50	7.50	10.00	10.00
14. Book Value per Share(Rs)	326.69	355.43	401.70	445.41
15. Sundry Debtors - No of Days	225	167	279	291.16
16. Turnover/Avg Inventory (Times)	2.76	2.89	2.58	2.94
17. Current Ratio	2.15	2.67	2.62	3.70
18. Debt-Equity Ratio	0.55	0.45	0.47	0.34

HIGHLIGHTS OF TEN YEAR'S PERFORMANCE

(Figures in Rs Lakhs)

2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
8,325.42	9,815.97	8,865.07	8,404.51	7,538.00	10,031.97
2,377.95	2,868.61	2,722.86	2,282.40	1,526.46	2,813.92
1,942.55	2,482.39	2,266.33	1,811.37	1,023.80	2,320.92
1,452.67	1,627.73	1,633.30	1,343.58	685.50	1687.71
2,708.83	2,987.96	4,839.28	6,233.35	6,483.89	6,506.60
225.00	225.00	225.00	225.00	225.00	225.00
11249.32	12,607.87	13,970.36	14,771.42	15,456.92	16,919.63
11474.32	12,832.87	14,195.36	14,996.42	15,681.92	17,144.63
12.66%	12.68%	11.51%	8.96%	4.37%	9.84%
9.48	7.55	8.00	8.90	9.38	8.46
76.51	85.15	87.54	77.72	51.56	49.70
64.56	72.34	72.59	59.71	30.47	75.01
10.00	10.00	10.00	10.00	10.00	10.00
509.97	570.35	630.90	666.51	696.97	761.98
244.92	212.24	194.09	136.79	120.16	104.27
2.75	3.29	2.99	1.79	1.48	1.62
3.44	4.29	3.47	4.64	4.39	5.01
0.36	0.26	0.28	0.18	0.18	0.16

VELJAN DENISON LIMITED**CIN: L29119TG1973PLC001670****Regd. Office:** Plot No. 44, 4th Floor, HCL Towers, Begumpet, Hyderabad – 500 016**Phone:** +91-40-2776 4546 **Fax:** +91-40-2776 5253**Web:** www.veljan.in **E-mail:** info@veljan.in**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE is hereby given that the **48th Annual General Meeting** of the members of **Veljan Denison Limited** (CIN: L29119TG1973PLC001670) will be held on **Friday, the 30th day of September, 2022, at 11.30 A.M. at Plot No. A 18 & 19, APIE, Balanagar, Hyderabad – 500 037** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements which includes Balance Sheet as at March 31, 2022, the Statement of Profit & Loss and Cash Flow Statement for the year ended as on that date and reports of the Board of Directors and the Auditors' thereon.
2. To declare a dividend of Rs. 13/- per equity share of Rs. 10/- each of the Company for the financial year ended on March 31, 2022.
3. To elect and appoint a Director in place of Mr. Sri Krishna Uppaluri (DIN: 0008880274), who retires by rotation and being eligible, offers himself for re-appointment.
4. **Appointment of Statutory Auditors and fix their remuneration:**

To consider and if thought fit to pass, with or without modification (s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s Brahmayya & Co, Chartered Accountants, Hyderabad (Firm Registration No. 000513S), be and are hereby appointed as Statutory Auditors of the Company for a term of 5 (five) consecutive years to hold office from the conclusion of this Annual General Meeting till the conclusion of the Fifty Third Annual General Meeting to be held in the year 2027 at such remuneration as shall be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS:

5. **Appointment of Dr. A. Suresh (DIN: 06931014) as Independent Director of the Company:**

To Consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force) read with Schedule IV to the Companies Act and all applicable regulations of the SEBI (LODR) Regulations, 2015 (as amended from time to time) and upon the recommendations of the Nomination and Remuneration Committee and the Board of Directors, Dr. Suresh Akella (DIN: 06931014), who has been appointed as an Additional Director (Independent Director) of the Company w.e.f September 30, 2021 and who has submitted a declaration that he meets the criteria for independence as provided in the Companies Act and Listing Regulations and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013 who holds office up to the date of this Annual General Meeting, be and is hereby appointed as an Independent Non-Executive Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for a first term of five consecutive years with effect from September 30, 2021 to September 29, 2026 and to receive remuneration by way of fees, reimbursement of expenses for participation in the meetings of the board and

/ or committees and profit related commission in terms of applicable provisions of the Companies Act, 2013 as determined by the Board from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. Approval of revision of remuneration payable to Mr. Sri Krishna Uppaluri, Whole time Director of the Company:

To Consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution:**

“**RESOLVED THAT** in partial modification of resolution passed in this regard by the members of the Company at 46th Annual General Meeting held on 31st December, 2020 and pursuant to provisions of Sections 196, 197, 198 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V thereof and all applicable regulations of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force), upon the recommendations of Nomination & Remuneration Committee, Audit Committee and the Board of Directors, the consent of members of the Company be and is hereby accorded to revision of remuneration payable of Mr. Sri Krishna Uppaluri (DIN: 0008880274), Whole time Director designated as “Executive Director & CEO” of the Company, for the remaining period of his tenure i.e. till 14th September, 2023 as Whole time Director, with effect from February 14, 2022 on the remuneration as set out below with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said remuneration as it may deem fit and as may be acceptable to Mr. Sri Krishna Uppaluri, subject to the same is not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof:

Revised remuneration w.e.f. 14.02.2022:

1. Gross Salary: increased from Rs. 183,500/- per month (Rs. 22.02 Lakhs p.a.) to Rs. 213,000/- per month (Rs. 25.56 Lakhs p.a.) in the scale of Rs.120,000-20,000-200,000 with the next increment falling due on 01.04.2023 and on April 1, each year thereafter.
2. Commission @ 2% on the net profits of the company w.e.f FY 2021-22.
3. The other terms and conditions including perquisites and allowances which were approved by the Board and members of the Company on 15.09.2020 and 31.12.2020 respectively, will remain unaltered.

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 Sections 196,197 and other applicable provisions of the Companies Act, 2013 read with Schedule V of the said Act for the time being in force.

Minimum Remuneration:

In the event of loss or inadequacy of profits, in any financial year during the currency of tenure of service, the payment of salary, commission, perquisites and other allowances shall be governed by Schedule V to the Act, including any statutory modifications or re-enactment thereof as may be for the time being in force.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable in the said regard.”

7. Approval of Material Related Party Transactions:

To consider and if thought fit to pass, with or without modification (s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under, if applicable and Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015, consent of the members be and is hereby accorded to the Board of Directors or the Committee thereon for entering into the following proposed Related Party Transactions with respect to sale, purchase of goods or materials or services by Veljan Denison Limited for the Financial year 2022-23 up to the maximum amounts as appended in table below:

Sl. No	Name of the Related Party	Name of the Interested Director / KMP / Company	Nature of Transactions	Maximum Limit for the FY 2022-2023 (Rs. In Crores)
1	Veljan Hydrair Ltd.	1. V C Janardan Rao 2. U Uma Devi 3. U. Sri Krishna	Sales & Purchase	120.00
2	Suxus Systems Ltd.	1. V C Janardan Rao 2. U Uma Devi 3. U. Sri Krishna	Sales & Purchase	30.00
3	Ecmat Ltd.	1. V C Janardan Rao 2. U Uma Devi 3. U. Sri Krishna	Job work	30.00
4	Veljan Investments Ltd.	1. V C Janardan Rao 2. U Uma Devi 3. U. Sri Krishna	Rent	2.00
5	JDM Hydro Pneumatics Ltd.	1. V C Janardan Rao 2. U Uma Devi 3. U. Sri Krishna	Job Work	2.00

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By order of the Board
FOR VELJAN DENISON LIMITED

Place: Hyderabad
Date: 06-09-2022

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

NOTES:

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the 'Act') in respect of the Special Business specified under Item no(s) 5 to 7 of the accompanying Notice is annexed hereto. The Board of Directors has considered and decided to include the said items given above as Special Business in the forthcoming AGM, as they were unavoidable in nature.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not be a member. A proxy form for the AGM is enclosed.
3. The instrument appointing a proxy, to be effective, must reach the Registered Office of the Company not less than 48 hours before the commencement of the meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent of total share capital of the Company. In case a proxy is proposed to be appointed by a shareholder holding more than 10% of the total share capital of the company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
4. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution / Power of Attorney authorizing their representative to attend and vote on their behalf at the meeting.
5. Brief resume of Directors /persons proposed to be appointed /reappointed as stipulated under Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India is provided as annexure to this Notice.
6. All documents referred to in the Notice are available for inspection at the Registered Office of the Company during office hours on all days except Saturdays, Sundays and public holidays up to the date of the Annual General Meeting.
7. The Attendance slip and proxy form and the instructions for e-voting are annexed hereto. The route map to the venue of the Annual General Meeting is attached and forms part of the Notice.
8. Register of members and transfer books of the Company will remain closed from Saturday, 24th September, 2022 to Friday, 30th September, 2022 (both days inclusive).
9. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. 01st April, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ Venture Capital and Corporate Investments Private Limited (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to comp_secy@veljan.in or by post to the Company by 5.00.p.m IST on 27th September, 2022.
10. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to the RTA / Company. The aforesaid declarations and documents need to be submitted by the shareholders by 5.00.p.m IST on 27th September, 2022..
11. Members, who hold shares in electronic / demat form are requested to furnish the change of address, details of their bank accounts, viz, name of the bank, full address of the branch, account no. etc., to their respective Depository Participants and who hold shares in physical form to the Company's Registrars and Transfer Agents M/s. Venture Capital and Corporate Investments Private Limited, # 12-10-167, Bharat Nagar, Hyderabad – 500 018 so as to enable the Company to incorporate the bank details on the dividend warrants.

12. Members are informed that the amount of dividend which remains unclaimed for a period of 7 years, the unpaid / unclaimed dividends along with underlying shares thereto liable to be transferred to Investor Education and Protection Fund (IEPF) administered by the Central Government. Members are requested to refer website of the Company www.veljan.in as details are made available by the Company pursuant to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017.

Any member, who has not claimed dividend for the financial year ended 2015-16 onwards, is requested to approach the Company in this respect.

As per Section 124(6) of the Companies Act, 2013 read with IEPF Rules as amended from time to time, all the shares in respect of which dividend has remained unpaid / unclaimed for seven consecutive years or more are required to be transferred to an IEPF Demat Account. The Company will transfer unpaid / unclaimed dividend till the financial year 2014-15 along with underlying shares to IEPF authorities, if any. The Company will initiate the necessary steps on due dates to transfer shares held by the members to IEPF along with dividend remaining unpaid / unclaimed thereon.

Members may please note that in the event of transfer of such shares and unclaimed dividends to IEPF, members are entitled to claim the same from IEPF authorities by submitting an online application in the prescribed Form IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same duly signed to the Company along with requisite documents enumerated in the Form IEPF-5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.

13. 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.
14. 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.
15. Pursuant to Section 72 of the Companies Act, 2013 and the Rules made there under the members holding shares in single name may, at any time, nominate in form SH-13, any person as his / her nominee to whom the securities shall vest in the event of his / her demise. Nomination would help the nominees to get the shares transmitted in their favor without hassles. Members desirous of making any cancellation / variation in the said nomination can do so in SH-14.
16. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a "Green Initiative in Corporate Governance" and allowed companies to share documents with its members in the electronic mode. Regulation 36 of SEBI (LODR) Regulations, 2015 also permits companies to send soft copies of the Annual Report to all those shareholders who have registered their e-mail address for the said purpose. Members are requested to support this green initiative by registering/ updating their e-mail addresses for receiving electronic communications.
17. The Equity shares of the Company are tradable in dematerialized form. In view of the same and to avail of 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 is registered with National Securities Depository Ltd. ('NSDL'), and Central Depository Services (India) Ltd. ('CDSL'), for dematerialization of its Equity Shares. The Company ISIN No. INE232E01013.
18. 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.

19. SEBI has decided that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a Depository. This measure has come into effect from April 01, 2019. Notices have been issued to all Shareholders holding Shares in physical mode informing them that as per revised regulation 40 of the SEBI (LODR) Regulations, 2015, shares will no longer be transferred in physical mode. Shareholders are therefore requested to dematerialize their existing shares in physical form. In this regard SEBI has also clarified as follows:
- a) The above decision does not prohibit the investor from holding the shares in physical form; investor has the option of holding shares in physical form even after April 01, 2019.
 - b) Any investor who is desirous of transferring shares (which are held in physical form) after April 01, 2019 can do so only after the shares are dematerialized.
 - c) The transfer deed(s) once lodged prior to deadline and returned due to deficiency in the document may be re lodged for transfer even after the deadline of April 01, 2019
20. Pursuant to the General Circular numbers 20/2020, 17/2020 and 14/2020 dated May 5, 2020, April 13, 2020 and April 8, 2020 respectively, issued by the Ministry of Corporate Affairs (MCA) and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as “the Circulars”), Soft copy of the Annual Report for 2020-21 is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s)/RTA for communication purposes. No physical copy of the Notice and the Annual Report has been sent to members who have not registered their e-mail addresses with the Company / DPs /RTA unless any member has requested for a physical copy of the same. Members may also note that Notice of this Meeting and the Annual Report will also be available on the Company’s website www.veljan.in for their download.
21. Members/ proxies are requested to fill in the enclosed attendance slip and deposit the same at the entrance of the meeting gate. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting.
22. Members seeking any information with regard to the accounts or any other queries may send their request to the Company at comp_secy@veljan.in at least seven days before the AGM and the same will be replied by the Company suitably.
23. 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. Members who hold shares in dematerialized form are requested to bring their client ID and DPID numbers for easy identification.
24. Voting through electronic means;

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through E Voting Services provided by National Securities Depository Limited (NSDL).

VOTING AT AGM:

The members who have not cast their votes through remote e-voting may attend and cast their votes at the Annual General Meeting through Ballot Form which shall be made available for use at the meeting.

The members who have already casted their votes through remote e-voting may attend the meeting but shall not be entitled to vote thereat. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on Tuesday, 27th September, 2022 at 9.00 A.M. and ends on Thursday, 29th September, 2022 at 5.00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 23rd September 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 23rd September 2022.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system**A) Login method for e-Voting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, 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 in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. 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 and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <p>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.</p> <p>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode 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 evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
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 helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

B) Login Method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is In300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to gsoumya.cs@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in
4. The voting rights shall be as per the number of equity share held by the Member(s) as on 23rd September, 2022. Members are eligible to cast vote electronically only if they are holding shares as on that date.
5. The Companies (Management and Administration) Amendment Rules, 2014 provides that the electronic voting period shall close at 5.00 p.m. on the date preceding the date of AGM. Accordingly, the voting period shall commence at 9.00 a.m. on Tuesday, 27th September, 2022 and shall close at 5.00 p.m. on Thursday, 29th September, 2022. The e-voting module shall be disabled by National Securities Depository Limited (NSDL) on 29th September, 2022 after 5.00 p.m.
6. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the company as on the cut-off date (record date) of 23rd September, 2022.
7. Mrs. Dafthardar Soumya, Practicing Company Secretary (Membership No: FCS 11794, CP No: 13199) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and she will submit her report within the period not exceeding three working days from the conclusion of E-voting. The Chairman will declare the results on or after the AGM of the Company accordingly and will also be placed at the company website and also forward the same to the stock exchanges where the shares has been listed. Subject to receipt of requisite number of votes, the resolutions proposed in the Notice shall be deemed to be passed on the date of the AGM, i.e. Friday, 30th September, 2022.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to comp_secy@veljan.in.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to comp_secy@veljan.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE ACT:**ITEM NO. 04:**

Members of the Company at the 43rd Annual General Meeting held on September 27, 2017 approved the appointment of M/s. K. S Rao & Co, Chartered Accountants, Hyderabad (FRN: 003109S) as the Statutory Auditors of the Company to hold office for a term of 5 (five) consecutive years from the conclusion of said Annual General Meeting till the conclusion of 48th Annual General Meeting. M/s. K. S Rao & Co, will complete their present term on conclusion of this Annual General Meeting.

The Board of Directors of the Company, on the recommendation of the Audit Committee, in their meeting held on 06.09.2022 has proposed to appoint M/s Brahmayya & Co, Chartered Accountants, Hyderabad (Firm Registration No. 000513S) to the Members of the Company, as Statutory Auditors of the Company in place of M/s. K. S Rao & Co, the Retiring Auditors, for a term of 5 (five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the 53rd Annual General Meeting to be held in the year 2027 at such remuneration as shall be fixed by the Board of Directors of the Company.

M/s Brahmayya & Co. have informed the Company that their appointment, if made, would be within the limits prescribed under Section 141 of the Companies Act, 2013 and also 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 Brahmayya & Co have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Companies Act, 2013.

None of the Directors and Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice of the AGM.

The Board recommends the ordinary resolutions set out at Item No. 4 of the Notice for approval by the Members.

ITEM NO. 05:

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company have appointed Dr. A Suresh as an Additional Director of the Company w.e.f. 30.09.2021 through circular resolution on 30.09.2021. Dr. A Suresh was appointed as Independent director, to hold office for a first term of five consecutive years with effect from September 30, 2021 to September 29, 2026, not liable to retire by rotation, subject to consent of the Members of the Company at the ensuing AGM

As an Additional Director, Dr. A Suresh holds office till the date of the this AGM and is eligible for being appointed as an Independent Director. Dr. A Suresh fulfils the conditions for his appointment as an Independent Director as specified in the Act and Listing Regulations and is independent of the management and the Company has received declaration to this effect that he meets the criteria of Independent Director as provided under section 149 (6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dr. A Suresh is not disqualified from being appointed as a Director under provisions of Section 164 of the Companies Act, 2013, nor debarred from holding the office of director by virtue of any SEBI order or any other such authority and has given his consent to act as a Director of the Company.

Your Board believes that Dr. A Suresh induction in the Board will bring more expertise and wide experience particularly in the areas of engineering and technology. Accordingly, the Board recommends the Special Resolutions set forth in Item No. 5 relating to the appointment of Mr. Dr. A Suresh as Independent Director, for approval by the Members of the Company. The brief profile of all the Directors who are appointing / re-appointing is provided as the annexure to this Notice. This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

Except Dr. A Suresh for his own appointment and his relatives, to the extent of their shareholding, if any, in the Company, none of the Directors and Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice of the AGM.

The Board recommends the special resolutions set out at Item No. 5 of the Notice for approval by the Members.

ITEM NO. 06:

Mr. Sri Krishna Uppaluri was appointed as Whole Time Director designated as “Executive Director” of the Company

with effect from 15.09.2020 for a period of 3 years at the 46th Annual General Meeting of the shareholders held on 31.12.2020.

Mr. Sri Krishna Uppaluri, aged 29 years, has a Bachelor's degree in Mechanical Engineering from Johns Hopkins University - Baltimore, USA and also a Master's degree in Mechanical Engineering from University of California at Berkeley, USA.

Taking into consideration the increased business activities of the Company coupled with higher responsibilities cast on Mr. Sri Krishna Uppaluri, the Board of Directors, on recommendation of the Nomination and Remuneration Committee and Audit Committee of the Company, in their meeting held on 14.02.2022, have approved the proposal to revise the remuneration payable to Mr. Sri Krishna Uppaluri, Whole Time Director designated as "Executive Director & CEO", subject to the approval of shareholders, as set out in the resolution being item no. 6 of the accompanying notice w.e.f. 14.02.2022 for the remaining period of his tenure i.e. up to 14.09.2023.

Revised salary and terms w.e.f. 14.02.2022:

1. Gross Salary: increased from Rs. 183,500/- per month (Rs. 22.02 Lakhs p.a.) to Rs. 213,000/- per month (Rs. 25.56 Lakhs p.a.) in the scale of Rs.120,000-20,000-200,000 with the next increment falling due on 01.04.2023 and on April 1, each year thereafter.
2. Commission @2% on the net profits of the company w.e.f FY 2021-22.
3. The other terms and conditions including perquisites and allowances which were approved by the Board and members of the Company on 15.09.2020 and 31.12.2020 respectively, will remain unaltered.

The remuneration proposed to be paid to Mr. Sri Krishna Uppaluri is within the permissible limits specified by the Act and is commensurate with the responsibilities of heading a Company of this size

Except for the aforesaid revision in salary, all other terms and conditions of his appointment as Whole Time Director of the Company as approved by the members of the Company shall remain unchanged.

The Board recommends the Special Resolution as set out at Item No. 6 respectively for your approval.

Except Mr. Sri Krishna Uppaluri for his own appointment and Mrs. U. Uma Devi, Director being his relative and Mr. V C Janardan Rao, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item Nos. 6 of the accompanying Notice of the AGM.

ITEM NO. 07:

Section 188 of the Companies Act, 2013 read with rules 15 and 16 of Companies (Meetings of Board and its Powers) Rules, 2014 prescribe certain procedure for approval of related party transactions. The SEBI (LODR) Regulations which has come into operation with effect from December 1, 2015 has also prescribed seeking of shareholders' approval for material related party transactions. The proviso to section 188 also states that nothing in section 188(1) will apply to any transaction entered into by the company in its ordinary course of business and at arm's length basis. All the proposed transactions put up for approval are in ordinary course of business and at arm's length. The following contracts / arrangements / transactions are material in nature and require the approval of the unrelated shareholders of the Company by an Ordinary resolution.

Sl. No	Name of the Related Party	Relationship	Maximum Limit for the FY 2022-23 (Rs. In Crores)
1	Veljan Hydrair Ltd.	Group Company	120.00
2	Suxus Systems Ltd.	Group Company	30.00
3	Ecmat Ltd.	Group Company	30.00
4	Veljan Investments Ltd.	Group Company	2.00
5	JDM Hydro Pneumatics Ltd.	Group Company	2.00

The other related information as envisaged under Companies (Meetings of Board and its Powers) Rules, 2014 and amendments thereto, and the Company's Related Party Transaction Policy are furnished hereunder:

Name of the Related Party	As per table above
Name of the Director or key managerial personnel who is related, if any	<p>Mr. V. C. Janardan Rao, Mrs. V. S. Chukkamamba and Mrs. U. Uma Devi may be deemed to be concerned in their capacity as Directors of Veljan Hydrair Limited.</p> <p>Mrs. V S Chukkamamba & Mrs. U. Uma Devi may be deemed to be concerned in their capacity as Director of Veljan Investments Ltd, JDM Hydro Pneumatics Ltd ,Suxus Systems Limited & Ecmat Limited</p> <p>Mr. U. Sri Krishna as a relative of Mrs. U. Uma Devi</p>
Nature of Relationship	As per table above
The nature, material terms, monetary value and particulars of the contract or arrangement	All proposed transactions are proposed to be carried out based on business requirements of the Company and shall be in ordinary course of business and at arms' length. All the transactions are for sale, purchase of goods or materials within Veljan group.
Any other information relevant or important for the members to take a decision on the proposed resolution	The technology is possessed by related parties and Company is dependent on them for its manufacture of Products. No other company possesses this technology.

The above transactions were approved by the Audit Committee at its meeting held on February 14, 2022 and recommended by the Board of Directors to the unrelated shareholders of the Company for their approval. As per SEBI (LODR) Regulations, all entities / persons whether they are related party to particular transaction or not shall abstain from voting on resolution(s) wherein approval of material Related Party Transactions is sought from the shareholders. Accordingly, all related parties of the Company, including, among others, Veljan group entities and the Directors and Key Managerial Personnel of VHL, VIL, Suxus and JDM will not vote on this resolution.

None of the Directors or any of the Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No. 7 of the Notice.

However, Mr. V C Janardan Rao Mr. U. Sri Krishna and Mrs. U Uma Devi may be deemed to be concerned in their capacity as Directors and shareholders of the Company. The Board recommends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the unrelated shareholders.

By order of the Board of Directors
FOR VELJAN DENISON LIMITED

Place: Hyderabad
Date: 06-09-2022

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

Registered Office: Plot No.44, 4th Floor, HCL Towers, Chikoti Gardens, Begumpet, Hyderabad - 500 016.
info@veljan.in, www.veljan.in:

Annexure to the Notice:**BRIEF PROFILES OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT****Item No.3 &6:**

a) Name	:	Mr. Sri Krishna Uppaluri
b) DIN	:	0008880274
c) Date of Birth	:	08/07/1993
d) Date of Appointment	:	15/09/2020
e) Designation	:	Executive Director & CEO
f) Number of Shares held in the Company	:	NIL

Mr. Sri Krishna Uppaluri has more than 5 years of experience in the fields of management, data driven decision making, analytics and hydraulics engineering. He has a Bachelor's degree in Mechanical Engineering from Johns Hopkins University - Baltimore, USA and also a Master's degree in Mechanical Engineering from University of California at Berkeley - Berkeley, USA. He also has over 5 years of experience in both experimental and computational fluid mechanics research.

Prior to his appointment as Whole time Director, he was the General Manager of the Company. He is a member of the Audit Committee and Stakeholders Relationship Committee of the Company. He is related to Mrs. U. Uma Devi, Director of the Company.

Details of his other directorships and membership/chairmanship of committees: NIL

Item No. 5:

a) Name	:	Dr. Suresh Akella
b) DIN	:	06931014
c) Date of Birth	:	26/06/1956
d) Date of Appointment	:	30/09/2021
e) Designation	:	Independent Director
f) Number of Shares held in the Company	:	NIL

Dr Suresh Akella has his undergraduate degree in Mechanical Engineering from Osmania University in 1978 and obtained a master's degree in design and Machine dynamics from IIT Madras in 1980. He pursued his interest in FEM and numerical simulations and obtained his PhD from University of Alberta, Canada in 1984 where he developed Timoshenko Beams and shafts to model Turbine shaft vibrations and balancing. He is a President's award receiver for NSS at the Sreyas Institute of Engineering & Technology in 2019.

Dr. Suresh Akella has more than 40 years of experience in R & D in manufacturing industries. He is presently Dean R & D at Sreyas Institute of Engineering & Technology affiliated to JNTUH

He is a member of the Audit Committee of the Company. He is not related to any directors of the Company.

Details of his other directorships and membership/chairmanship of committees: NIL

BOARD'S REPORT

To
The Members of
VELJAN DENISON LIMITED

Your Directors take pleasure in presenting the 48th Annual Report on the affairs of the Company along with the Audited Accounts for the year ended March 31, 2022.

1. FINANCIAL RESULTS:

(Figures in Rs Lakhs)

Particulars	Year ended 31-03-2022	Year ended 31-03-2021
Income :		
Revenue from Operations	9,785.33	7,356.87
Other Income	246.64	181.13
Total Revenue	10,031.97	7,538.00
Expenditure:		
Cost of Materials Consumed	3,619.74	2,908.72
Changes in inventories of Finished goods, Work-in-Progress and Stock-in-Trade	(249.27)	(94.14)
Employee Benefit Expenses	827.48	689.79
Finance Costs	23.05	42.10
Other Expenses	3,490.05	2,967.73
Total Expenses	7,711.05	6,514.20
Exceptional item	-	127.14
Profit before Tax	2,320.92	896.66
Tax Expenses		
(1) i. Current Tax	571.47	229.72
ii. Previous Period	28.58	(22.93)
(2) Deferred Tax	33.16	4.37
Profit for the year	1,687.71	685.50
Earning per Equity Share of the face value of Rs. 10 each		
Basic and Diluted (in Rs.)	75.01	30.47

2. COMPANY'S PERFORMANCE:

During the year under review the sales were higher at Rs. 9785.33 Lacs as against Rs. 7356.87 Lacs in the previous year. The Profit before tax stood at Rs. 2320.91 Lacs as against Rs. 896.66 Lacs for the previous year. The Net Profit stood at Rs. 1687.70 Lacs as against Rs. 685.50 Lacs for the previous year.

3. FUTURE OUTLOOK:

The major demand for hydraulic products usually comes from major manufacturing countries like U.S.A, Germany, Italy and UK which are badly affected by the pandemic due to which the market has been affected negatively.

Although economic activity witnessed a rebound towards the end of 2020 until now, COVID-19 is expected to have a lasting impact going forward, as many countries and sectors are going through an uneven recovery. While the current recovery is well supported by ongoing vaccination programme, new variants of the virus continue to pose concerns on the outlook.

India is one of the fastest growing markets for hydraulic components like valves, cylinders, accumulators, pumps, hydraulic hoses, filters, etc. Most foreign MNCs in fluid power are already present in India, with some of them here for a long time. The long term outlook of the hydraulic industry continues to be promising. However, the technology used is constantly evolving and there is a need to continuously develop products in line with changing market needs. By increasing the manufacturing base, your Company expects to better the revenues with improved margins in the coming years.

4. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

The Company has acquired 100% shareholding in M/s Adan holdings Limited, United Kingdom which is the holding company of M/s Adan Limited on 03.08.2022 for a consideration of GBP 1.4 million with internal accruals of the company.

There were no material changes/ commitments affecting the financial position or operations of the Company between March 31, 2022 and the date of Board's Report.

5. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report, as required under Regulation 34 of SEBI (Listing Obligation Disclosure Requirements) Regulations, 2015 is annexed and forms part of this report.

6. DIVIDEND:

Your Directors are pleased to recommend the payment of Dividend of Rs 13/- per equity share of Rs. 10/- each (130%) for the year ended March 31, 2022. The Dividend if approved by the shareholders of the Company in the ensuing Annual General Meeting will be paid out of the profits of the Company to all Shareholders of the Company whose names appear on the Register of Members as on the date of the Book Closure.

Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. 01st April, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. The shareholders are requested to update their PAN with the Company/ RTA or depositories. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

7. RESERVES:

The Company has transferred Rs. 14.34 Crores to General Reserves of the Company.

8. DEPOSITS:

Your Company has not accepted any deposits from the public during the year under review and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information required under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Account) Rules, 2014 with respect to conservation of energy, technology absorption and foreign exchange earnings/ outgo is annexed to this Report.

10. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS AND COMMITTEES:

The Board of Directors met 4 times during the financial year ended March 31, 2022 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder. The Directors actively participated in the meetings and contributed valuable inputs on the matters brought before the Board of Directors from time to time.

The Independent Directors held a separate meeting in compliance with the requirements of Schedule IV of the Companies Act, 2013 and Regulation 25(3) of the Listing Regulations. For further details of the meetings of the Board, please refer to the Corporate Governance Report, which forms part of this Annual Report.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

None of the directors of the company is disqualified under the provisions of the Companies Act 2013 or under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

As per the provisions of Section 152 of the Companies Act, 2013 read with Articles of Association of the Company, Mr. U. Sri Krishna (DIN: 008880274), retire by rotation and being eligible offer, himself for re appointment at this Annual General Meeting. The Board recommends his re-appointment at the ensuing AGM.

During the year under review,

1. Dr. A Suresh (DIN: 06931014) was appointed as Additional Director of the Company with effect from 30.09.2021 who holds office upto the date the ensuing Annual General Meeting.

To strengthen and bring more expertise to the Board, it was decided by the Board Directors to appoint Dr. A Suresh (DIN: 06931014) as Independent Director of the Company with effect from 30.09.2021, not liable to retire by rotation and to hold office for a first term of 5 (five) consecutive years on the Board of the Company.

Accordingly, approval of members is sought by way of special resolution at the ensuing Annual General Meeting. The Board recommends his appointment at the ensuing AGM.

2. Mr. U. Sri Krishna (DIN: 008880274) was appointed as Whole time Director designated as Executive Director of the Company with effect from 15.09.2020 for a period of 3 years by the Board in their meeting held on 15.09.2020 and the said appointment was approved by the shareholders in AGM held on 31.12.2020.

The Board in their meeting held on 14.02.2022 re-designated Mr. Sri Krishna Uppaluri, Executive Director & President as Executive Director (ED) & Chief Executive Officer (CEO) of the Company for the remaining term of his tenure i.e. up to September 14, 2023 and also approved the change in remuneration payable to Mr. Sri Krishna Uppaluri which was recommended by the Nomination and Remuneration Committee and the Audit Committee for the remaining term of his tenure as Whole time Director in view of the enhanced responsibilities now being carried by Mr. Sri Krishna Uppaluri.

Accordingly, approval of members is sought by way of special resolution at the ensuing Annual General Meeting. The Board recommends the change in remuneration of Mr. Sri Krishna Uppaluri at the ensuing AGM.

KEY MANAGERIAL PERSONNEL:

As on the date this report, the following are the Key Managerial Personnel of the Company:

1. Mr. V.C. Janardan Rao Chairman & Managing Director
2. Mr. U. Sri Krishna Executive Director & CEO
3. Mr. G. Subba Rao Chief Financial Officer
4. Mr. B. Narahari Company Secretary and compliance officer

12. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the companies Act, 2013 and Regulation 16 of the SEBI (LODR) Regulations, 2015.

13. ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation Disclosure Requirements) Regulations, 2015 the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit and other Committees.

14. COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION:

The Board has on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub section (3) of section 178 relating to the remuneration for the Directors, Key Managerial Personnel, and other employees.

15. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Internal audit Department monitors and evaluates the efficacy and adequacy of internal control systems, accounting procedures and policies.

Internal Auditors:

The Board of Directors of the Company had appointed M/s. M.V. Narayana Reddy & Co., Chartered Accountants as Internal Auditors of the Company for the Financial Year 2021-22 and to maintain its objectivity and independence, the Internal Auditor submitted their reports to the Chairman of the Audit Committee of the Board.

16. AUDITORS:

Members at 43rd Annual General Meeting had appointed M/s.K.S.Rao&Co, Chartered Accountants, Hyderabad (FRN:003109S) as the Statutory Auditors of the Company for a period of 5 years, to hold office from the conclusion of 43rd Annual General Meeting (AGM) till the conclusion of 48th Annual General Meeting to be held in the calendar year 2022 subject to ratification of their appointment at every annual general meeting in terms of the provisions of Companies Act, 2013 and accordingly, the period of office of M/s.K.S.Rao&Co., Chartered Accountants, Statutory Auditors of the Company, expires at the conclusion of the ensuing Annual General Meeting.

Now, it is proposed to appoint M/s. Brahmayya & Co., Chartered Accountants, Hyderabad (Firm Reg. No. 000513S) as Statutory Auditors of the Company, for a term of 5 (five) consecutive years. M/s. Brahmayya & Co., Chartered Accountants, have confirmed their eligibility and qualification required under the Act for holding the office, as Statutory Auditors of the Company.

During the year under review, the Statutory Auditors of the Company have not reported any fraud as required under Section 143(12) of the Companies Act, 2013.

The Auditor's Report for the financial year 2021-22 does not contain any qualification, reservation or adverse remarks.

17. SECRETARIAL AUDITORS & THEIR REPORT:

The Board had appointed M/s BS & Company, Company Secretaries LLP, Hyderabad to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2021-22. The report of the Secretarial Auditor is annexed to this report.

With regard to the observation made by the Secretarial Auditors in connection with the delay in filing of form, the Company is in the process of filing the same.

18. TRANSFER OF UNPAID/ UNCLAIMED AMOUNTS TO IEPF:

Pursuant to the provisions of Sections 124 and 125 of the Act read with the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016, dividend / interest / refund of applications which remains unclaimed / unpaid for a period of 7 years is required to be transferred to IEPF. Further, the IEPF Rules mandate the companies to transfer all shares on which dividend remains unclaimed / unpaid for a period of 7 consecutive years to the demat account of the IEPF Authority. Hence, the Company urges all the shareholders to encash/claim their respective dividend during the prescribed period.

Accordingly, during the financial year 2021-22, the dividend for the year 2013-14 remaining unpaid and unclaimed for 7 years pertaining to which dividend remains unpaid / unclaimed for 7 consecutive years was transferred by the Company to IEPF.

During the financial year 2022-23, the dividend for the year 2014-15 remaining unpaid and unclaimed for 7 years and shares pertaining to which dividend remains unpaid / unclaimed for 7 consecutive years will be transferred by the Company to IEPF by 31st October 2022.

The Members / claimants whose shares or unclaimed dividends get transferred to IEPF may claim the shares or apply for refund from the IEPF Authority by following the refund procedure as detailed on the website of IEPF Authority at <http://www.iepf.gov.in/IEPF/refund.html>.

19. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Particulars of loans, guarantees and investments have been disclosed in the financial statements.

The Company had not given any loans, guarantees or made investments as per the provisions of Section 186 of the Companies Act, 2013 during the financial year under review and also there are no outstanding amounts of loans given, guarantees provided and / or investments made at the beginning of the year.

20. DETAILS OF SUBSIDIARY, ASSOCIATE AND JOINT VENTURE OF THE COMPANY:

The Company doesn't have any subsidiary, associate and joint venture during the year under review. However, the Company has acquired 100% shareholding in M/s Adan holdings Limited, United Kingdom which is the holding company of M/s Adan Limited on 03.08.2022 and M/s Adan holdings Limited is now wholly owned subsidiary of the Company w.e.f. 03.08.2022.

21. TRANSACTIONS WITH RELATED PARTIES:

All related party transactions done by the company during the financial year were at arm's length and in the ordinary course of business. All related party transactions were placed in the meetings of Audit committee and the Board of directors for their necessary review and approval. Details of all such transactions as required under section 188 of the Companies Act are annexed in Form AOC-2 forming part of the Board's Report.

Disclosures pursuant to Accounting Standards on related party transaction have been made in the notes to the Financial Statements.

The Company has formulated a policy on materiality of Related Party Transactions and dealing with Related Party Transactions which can be accessed at the Company's website <http://veljan.in/investors.html>.

22. CORPORATE SOCIAL RESPONSIBILITY:

As part of its initiatives under "Corporate Social Responsibility (CSR)", the Company has made contributions to various activities as approved by the Committee and is in accordance with Schedule VII of the Companies Act, 2013 read with the relevant rules.

The contents of the CSR activities undertaken by the Company have been annexed separately and forms part of this report.

23. EXTRACT OF ANNUAL RETURN:

As required by Section 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of the Annual Return in Form MGT-9 is available on the Company's website at <http://veljan.in/investors.html> and forms part of this report.

24. PARTICULARS OF EMPLOYEES:

There are no employees in the company in receipt of amounts covered in rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The disclosure pertaining to remuneration and other details of top 10 employees of the Company are made available for inspection at the Registered office of the Company with the Company Secretary during working hours and any Member interested in obtaining such information may write to the Company Secretary and the same shall be provided without any fee.

25. MANAGERIAL REMUNERATION:

Details of the ratio of the remuneration of each of the director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of managerial Personnel) Rules, 2014 has been annexed separately and forms part of this report.

26. CORPORATE GOVERNANCE CERTIFICATE:

The Compliance certificate from the Secretarial Auditors regarding compliance of conditions of Corporate Governance as stipulated in SEBI (Listing Obligation Disclosure Requirements) Regulations, 2015 is provided elsewhere and forms part of this report.

27. LISTING:

The Equity Shares of your Company are continued to be listed on BSE Limited. There are no payments outstanding to the Stock Exchange and the company has paid the listing fee for the financial year 2022-23.

28. DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that (based on the representations received from the Management):

- i) In the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures, if any;
- ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31.03.2022 and of the Profit of the Company for that period ;
- iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) they have prepared the Annual Accounts on a going concern basis;
- v) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- vi) they have devised proper systems to ensure Compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

29. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has put in place a policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace in accordance with the requirement of the 'Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees of the Company are covered under the aforementioned Policy.

During the year under review, the company has not received any complaints pertaining to sexual harassment

30. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS:

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

31. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

Your Company has an effective Vigil Mechanism system which is embedded in its Code of Conduct. The Code of Conduct applies to all the employees, including Directors of the Company.

The Code of Conduct is available on the Company website to report any genuine concerns about unethical behavior, any actual or suspected fraud or violation of Company's Code of Conduct.

32. REPORT ON CORPORATE GOVERNANCE:

In accordance with the Regulation 16 of the SEBI (LODR) Regulations, 2015, the Company has complied with all mandatory recommendations. A Report on corporate Governance is provided elsewhere and forms part of this report.

33. INDUSTRIAL RELATIONS AND HUMAN RESOURCES:

Your company believes that its employees are one of the most valuable assets of the Company and the Board appreciates the employees across the cadres for their dedicated service to the company and expects their continuous support and higher level of productivity for achieving the targets set for the company. The total employee strength is over 244 as on March 31, 2022.

34. SHARE CAPITAL:

There was no change in the Authorized Share Capital (Rs. 3 Crores) and Paid up Share Capital (Rs. 2.25 Crores) of the Company during the year under review.

The Company has not issued any shares with differential rights and hence no information as per the provisions of Section 43(a) (ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

35. INSURANCE:

All properties and insurable interests of the Company including building, plant and machinery and stocks have been fully insured.

36. CHANGE IN THE NATURE OF BUSINESS:

There was no change in the nature of business of the Company.

37. DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR:**Appointments:**

1. Dr. A. Suresh (DIN: 06931014) was appointed as Additional Director of the Company with effect from 30.09.2021 and appointed as Independent Director for a first term of Five years with effect from 30.09.2021 subject to requisite approvals.

Cessation:

1. Mr. V. Pattabhi (DIN: 00200157) ceased to be the Director of the Company w.e.f 24.08.2021 due to demise.

38. RISK MANAGEMENT:

The Board of Directors has formed a risk management policy to identify, evaluate, mitigate and monitor the risk associated with the business carried by the company. The Board reviews the risk management plan and ensures its effectiveness. A mechanism has been put in place which will be reviewed on regular intervals.

39. COMMITTEES OF THE BOARD:

The Board has Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee. The composition and other details of these committees have been given in the Report on the Corporate Governance forming part of the Annual Report.

40. COST AUDIT:

Pursuant to provisions of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 cost audit is not applicable for the financial year 2021-22 for the Company.

41. COMPLIANCE OF SECRETARIAL STANDARDS:

The Company has duly complied with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India, for the Board and General Meetings.

42. CORPORATE POLICIES OF THE COMPANY:

The policies are reviewed periodically by the Board and updated as needed. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, mandate the formulation of certain policies for all listed companies. The corporate governance policies like Familiarization Programme for Independent Directors, Policy for Determination of Materiality of an Event or Information, Policy on Preservation of Documents and Policy on Related Party Transactions etc for are available on the Company's website, at http://veljan.in/investors_policy.html.

43. ACKNOWLEDGMENTS:

Your Directors acknowledge with a deep sense of gratitude the continued support extended by Investors, Customers, Business Associates, Bankers and Vendors.

Your Directors take this opportunity to thank the regulatory Authorities and Governmental Authorities for continued support and assistance.

Your Directors also place on record their appreciation for the contribution of all the employees of the Company in achieving the performance.

By order of the Board
FOR VELJAN DENISON LIMITED

Place: Hyderabad
Date: 06-09-2022

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

CORPORATE GOVERNANCE REPORT

Report Pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, compliance with the requirements of Corporate Governance is set out below:

1) COMPANY'S PHILOSOPHY:

Your Company firmly believes in and has consistently practiced good Corporate Governance. The Company's essential character is shaped by the very values of transparency, accuracy, professionalism and accountability. The Company will endeavor to improve on these aspects on ongoing basis.

Board of Directors of your Company has adopted the compliance of good corporate governance and to keep the shareholder informed about the happenings in the Company. The Company is in compliance with Securities Exchange Board of India (Listing Obligation Disclosure Requirements) Regulations, 2015.

The information required to be attached to the Boards' Report for the year ended on 31st March, 2022 is as under:

2) BOARD OF DIRECTORS & COMPOSITION:

The Board of Directors comprises optimal complement of Independent as well as Non-Executive Directors having in-depth knowledge of the business of the industry.

The size and composition of the Board confirms to the requirements of the Corporate Governance code under SEBI (LODR) Regulations, 2015. Following was the composition of the Board during the year under review:

S.No	Name of the Director	Designation	Category
1.	Mr. V. C. Janardan Rao	Chairman & Managing Director	Promoter & Executive Director
2.	Mr. V. Pattabhi*	Independent Director	Non – Executive Director
3.	Mr. B. S. Srinivasan	Independent Director	Non – Executive Director
4.	Mr. G. Narayan Rao	Independent Director	Non – Executive Director
5.	Dr. A. Suresh**	Independent Director (Additional Director)	Non – Executive Director
6.	Mrs. U. Uma Devi	Director	Promoter & Non – Executive Director
7.	Mr. U. Sri Krishna	Executive Director & CEO	Promoter & Executive Director

* Mr. V. Pattabhi ceased to be the Director of the Company w.e.f August 24, 2021 due to demise.

** Dr. A. Suresh was appointed as an Additional Director of the Company on 30.09.2021 by the Board of Directors through circular resolution.

All Independent Directors possess the requisite qualifications and are experienced in their respective fields. The Board also confirms that the Independent Directors fulfill the criteria specified in the regulations and are independent of the management. The Independent Directors are appointed for a period of five years. The Executive Directors and the other Non-Independent Directors are subject to retire by rotation.

All the necessary disclosures have been obtained from all the directors regarding their directorship and have also been taken on record by the Board. Various committees support the Board in its functions. The Board of Directors and its Committees meet at regular intervals.

Board Procedure:

The calendar of meetings of the Board of Directors is determined well in advance and Notices of the Meetings of the Board are issued by the Company Secretary on the advice and guidance of the Chairman and Managing Director. The agenda and notes thereon are finalized by the Chairman and Managing Director and circulated sufficiently in advance by the Company Secretary.

Effective deliberations take place at the meetings of the Board, all relevant information is put up to the Board and comprehensive presentations are made to it to facilitate considered and informed decision making. Heads of the business verticals also attend the meetings of the Board as invitees to provide a better perspective on the operations.

The Board duly met 4 (Four) times during the period from 01.04.2021 to 31.03.2022 on 30.06.2021, 14.08.2021, 12.11.2021 and 14.02.2022 and the attendance of the Directors are as follows:

ATTENDANCE OF DIRECTORS IN THE BOARD AND LAST ANNUAL GENERAL MEETING:

Sl. No.	Name of The Director	Board Meetings Attended During the year	Designation	Category	Attended At the last Annual General Meeting	Number Of the Other Director Ship	No. of Board Committees Of which Member / Chairman
1.	Mr. V. C. Janardan Rao	3	Chairman and Managing Director	Promoter And Executive Directors	No	7	1
2.	Mr. V. Pattabhi*	-	Director	Independent And Non Executive Directors	NA	-	-
3.	Mr. B. S. Srinivasan	4	Director		Yes	2	4
4.	Mr. Narayan Rao	4	Director		No	3	1
5.	Dr. A. Suresh**	2	Director		No	0	1
6.	Mrs. U. Uma Devi	4	Director	Promoter And Non- Executive Directors	No	7	0
7.	Mr. U. Sri Krishna	4	Executive Director & CEO	Promoter And Executive Directors	Yes	0	2

* Mr. V. Pattabhi ceased to be the Director of the Company w.e.f August 24, 2021 due to demise.

** Dr. A. Suresh was appointed as an Additional Director of the Company by the Board of Directors through circular resolution on 30.09.2021.

Notes:

1. This excludes Directorships held in Foreign Companies and Companies incorporated under section-8 of the Companies Act, 2013.
2. In accordance with Reg.26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Memberships/ Chairmanships of Committees include Audit Committee and Stakeholders' Relationship Committee of Public Company has been considered.
3. None of the Directors is a director in more than 20 Companies and more than 10 public limited companies in terms of Sec-165 of the Companies Act, 2013.
4. None of the Directors is a Director in more than seven listed entities in terms of Regulation 17A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
5. None of the Directors is a member of neither more than Ten Committees, nor acts as Chairman of more than Five Committees across all companies in which they are Directors, as required Regulation 26 of the Listing Regulations.
6. The Independent Directors fulfill the requirements stipulated in Regulation 25 (1) of the Listing Regulations.
7. Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all the Independent Directors have completed the registration with the Independent Directors Databank. Requisite disclosures have been received from the directors in this regard. As per the notification Mr. V. Pattabhi and Mr. B.S. Srinivasan are not required to undergo the mandatory online self-assessment test specified therein as they have served as Director in a listed company for more than 10 years.
8. Name of other listed entities where Directors of the company are Directors and the category of Directorship:

Sl No	Name of The Director	Name of other Listed Companies	Category of Directorship
1	Mr. B.S. Srinivasan DIN: 00482513	Softsol India Limited	Independent Director

Number of shares and convertible instruments held by non- executive directors;

Name of the Non-Executive Director	No. of Shares or convertible instruments held
Mr. V. Pattabhi	0
Mr. B.S. Srinivasan	0
Mr. G. Narayan Rao	0
Dr. A. Suresh	0
Mrs. U. Uma Devi	1,10,834 shares of Rs. 10/- each

Familiarization Program to Independent Directors:

The Independent Directors have been updated with their roles, rights and responsibilities in the Company by specifying them in their appointment letter along with necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices. The Company has through presentations at regular intervals, familiarized and updated the Independent Directors with the strategy, operations and functions of the Company and Engineering Industry as a whole. Site visits to plant location are organized for the Directors to enable them to understand the operations of the Company. The details of such familiarization programs for Independent Directors are posted on the website of the Company and can be accessed at http://www.veljan.in/investors_policy.html.

Skills / Expertise / Competencies of the Board of Directors

The Company has mix of Directors on the Board who possess the requisite qualifications, experience and expertise across multiple domains which facilitates quality decision making and enables them to contribute effectively to the Company in their capacity as Directors of the Company, more specifically in the areas of:

- a. Knowledge of Company - understand the Company's business, policies, and culture (including its mission, vision, values, goals, current strategic plan, governance structure, major risks and threats and potential opportunities)
- b. Industry Knowledge and experience - knowledge of industry, sector and changes in industry specific policy and
- c. Professional Skills and experience in the areas of finance, Safety & Corporate Social Responsibility and allied fields, projects, general corporate management and strategy development and implementation to assist the ongoing aspects of the business.

SI No	Name of the Director	Skills / Expertise / Competencies
1.	Mr. V. C Janardan Rao	Knowledge of Company, Industry Knowledge and experience, Financial Expertise & Corporate management
2.	Mr. B. S. Srinivasan	Knowledge of Company, Industry Knowledge and experience & Financial Expertise
3.	Mr. Narayan Rao	Knowledge of Company, Industry Knowledge and experience, & Corporate management
4.	Dr. A. Suresh	Knowledge of Company, Industry Knowledge and experience & R & D Expertise
5.	Mrs. U. Uma Devi	Knowledge of Company, Industry Knowledge and experience, Corporate management & Financial Expertise
6.	Mr. U. Sri Krishna	Knowledge of Company, Industry Knowledge and experience, Corporate management & Financial Expertise

In the opinion of the Board, all the independent directors fulfill the conditions specified in these regulations and are independent of the management.

Inter-se relationship between Directors:

Mr. V.C. Janardan Rao, Mr. U. Sri Krishna and Mrs. U. Uma Devi are relatives of each other in terms of Section 2(77) of the Companies Act, 2013 and none of the other Directors have any relationship with each other.

Whistle blower policy:

The company has formulated a Whistle Blower Policy with a view to provide a mechanism for associates to approach the Chairman of the Audit Committee of the Company to, inter alia, report to the management instances of unethical

behaviour, actual or suspected, fraud or violation of the Company's code of conduct or policy. Further, the policy provides necessary safeguards for protection of associates from reprisals or victimization, for whistle blowing in good faith.

Code of Conduct:

The Board has laid down a code of conduct for all Board members and senior management of the Company which is available on the Company's website. All the Board members and senior management of the Company have affirmed compliance with their respective Codes of Conduct for the Financial Year ended March 31, 2022. A declaration to this effect, duly signed by the Chairman and Managing Director is given hereto.

3. AUDIT COMMITTEE:

The Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include:

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- b) Recommending the appointment and removal of external auditor of the company, fixation of audit fee and also approval for payment for any other services.
- c) Reviewing with management the annual financial statements before submission to the board, focusing = primarily on:
 - i) Any changes in accounting policies and practices.
 - ii) Major accounting entries based on exercise of judgment by management
 - iii) Qualification in draft audit report.
 - iv) Significant adjustments arising out of audit.
 - v) The going concern assumption.
 - vi) Compliance with accounting standards.
 - vii) Compliance with Stock Exchange and legal requirements concerning financial statements.
 - viii) Scrutiny of inter-corporate loans and investments
 - ix) Valuation of undertakings or assets of the company, wherever it is necessary
 - x) Any related party transactions i.e. transactions of the Company of material nature with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.

Composition:

The Audit Committee comprises of following Directors as on 31.03.2022:

Sl. No.	Name of Director	Designation	Category
1.	Mr. B.S. Srinivasan	Chairman	Independent and Non- Executive director
2.	Mr. G. Narayan Rao	Member	Independent and Non- Executive director
3.	Dr. A. Suresh	Member	Independent and Non- Executive director
4.	Mr. U. Sri Krishna	Member	Promoter and Executive director

* Mr. V. Pattabhi ceased to be the chairman of the Audit committee of the Company w.e.f August 24, 2021 due to demise and the audit committee was reconstituted on 12.11.2021 and Mr. B.S. Srinivasan was appointed as chairman and Dr. A. Suresh was appointed as a member of the committee.

The Audit committee duly met 4 (Four) times during the financial year 2021-22 on 30.06.2021, 14.08.2021, 12.11.2021 and 14.02.2022.

Attendance of Audit Committee Members at their Meetings:

Sl. No.	Name of Director	No. of Meetings Held	No. of Meetings Attended
1.	Mr. V. Pattabhi	2	-
2.	Mr. B.S. Srinivasan	4	4
3.	Mr. G. Narayan Rao	4	4
4.	Mr. U. Sri Krishna	4	4
5.	Dr. A. Suresh	2	2

All the members of the Committee are financially literate with knowledge in finance and accounts.

The Business Heads, Head of Finance and Internal Auditors attend the meetings of the Committee, as and when required.

The Statutory Auditors remain present during discussion and review of quarterly results and annual accounts, as invitees in the meetings of the Committee.

The Company Secretary acts as the Secretary to the Committee.

Mr. B.S. Srinivasan, Alternate Chairman of the Committee was present at last Annual General Meeting to answer Shareholders queries.

4. NOMINATION AND REMUNERATION COMMITTEE:

A Nomination and Remuneration Committee was constituted in the year 2008 to evaluate and implement remuneration payable to Executive Directors and for deciding the other benefits.

a) The role of Nomination and Remuneration Committee is –

- (i) Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- (ii) Formulation of criteria for evaluation of Independent Directors and the Board;
- (iii) Devising a policy on Board diversity;
- (iv) Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

b) Remuneration policy:

Remuneration to Whole-time Directors and Company's employees is decided after considering the following factors:

- i) Restrictions specified in various Act like Companies Act, Income Tax, Etc.
- ii) Market trend for remuneration paid for similar positions.
- iii) Performance of the person in the Company.
- iv) Profits of the Company.

Criteria of making payments to non-executive directors is available on the Company's website.

Composition of Nomination and Remuneration Committee as on 31.03.2022:

Sl. No.	Name of Director	Designation	Category
1.	Mr. B.S. Srinivasan	Chairman	Independent and Non- Executive Director
2.	Mr. G. Narayan Rao	Member	Independent and Non- Executive Director
3.	Mrs. U. Uma Devi	Member	Promoter and Non- Executive Director

* Mr. V. Pattabhi ceased to be the chairman of the Nomination and Remuneration committee of the Company w.e.f August 24, 2021 due to demise and the Nomination and Remuneration committee was reconstituted on 29.09.2021 Mr. B.S. Srinivasan was appointed as chairman and Mr. G. Narayan Rao was appointed as a member of the committee.

The Nomination and Remuneration Committee passed a circular resolution on 30.09.2021 recommending the appointment of Dr. A. Suresh as an Additional Director of the Company.

The Nomination and Remuneration Committee duly met 1 (One) times during the financial year 2021-22 on 14.02.2022.

Attendance of Nomination and Remuneration Committee Members at their Meetings:

Sl. No.	Name of Director	No. of Meetings Held	No. of Meetings Attended
1.	Mr. B.S. Srinivasan	1	1
2.	Mr. G. Narayan Rao	1	1
3.	Mrs. U. Uma Devi	1	1

The details of remuneration and sitting fee paid or provided to each of the Directors during the year 2021-22 are as follows

(Figures in Rs Lakhs)

Name of the Director	Designation	Salary & Perks	Commission	Sitting Fees	Total
Mr. V C Janardan Rao* (for 9 months)	Chairman & Managing Director	18.00	-	-	18.00
Mr. B.S.Srinivasan	Independent Director	-	9.76	2.00	11.76
Mr. G. Narayan Rao	Independent Director	-	-	-	-
Dr. A. Suresh	Independent Director	-	4.88	0.80	5.68
Mrs. U.Uma Devi	Director	-	9.76	0.95	10.71
Mr. U. Sri Krishna	Executive Director	21.84	48.82	-	70.66

* Mr. V C Janardan Rao voluntarily decided not to draw any remuneration from the Company w.e.f. 01-01-2022

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:

The Criteria for performance evaluation was formulated after receiving inputs from the Directors covering various aspects of the Boards' functioning such as adequacy of the Composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligation and governance. The performance of Independent directors was evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company etc.

BOARD LEVEL PERFORMANCE EVALUATION:

Pursuant to The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Annual performance evaluation of the Directors including Chairperson, Board and its Committees viz., the Audit Committee, Nomination and Remuneration Committee, and Stakeholders Relationship Committee has been carried out.

The Performance evaluation of Independent Directors was carried out by the entire board of directors without participation of the directors who are subject to the evaluation.

INDEPENDENT DIRECTORS' MEETING:

The Independent Directors meet at least once in a year, without the attendance of Executive Directors.

During the year under review, the Independent Directors met once on 14.02.2022 and among other things evaluated the performance of Non-Independent Directors and the Board of Directors as a whole review the performance of the Chairperson of the Company and evaluated of the quality, and content of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Company adopted CSR Policy which indicates the activities to be undertaken by the Company as specified in Schedule VII to the Act. The policy is provided on the Company's website.

The Composition of Corporate Social Responsibility (CSR) Committee is given below:

Sl. No.	Name of Director	Designation	Category
1.	Mr. V. C. Janardan Rao	Chairman	Chairman and Managing Director
2.	Mr. B.S. Srinivasan	Member	Independent and Non- Executive Director
3.	Mrs. U. Uma Devi	Member	Non Executive Director

The Committee duly met once during the financial year on 14.02.2022 and all the members attended the meeting.

The contents of the CSR activities undertaken by the Company have been annexed separately and forms part of this report.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The members of the Committee are:

Sl. No.	Name of Director	Designation	Category
1.	Mr. B.S. Srinivasan	Chairman	Independent and Non- Executive Director
2.	Mr. V. C. Janardan Rao	Member	Executive Director
3.	Mr. U. Sri Krishna	Member	Executive Director

* Mr. V. Pattabhi ceased to be the chairman of the Stakeholders Relationship Committee of the Company w.e.f August 24, 2021 due to demise and the committee was reconstituted on 12.11.2021 and Mr. B.S. Srinivasan was appointed as chairman of the committee.

Terms of reference:

The committee was formed with the object of providing immediate attention to the shareholders grievance relating to the share transfers, replacement of lost/ stolen/ mutilated share certificates, issue of duplicate share certificates and to redress the investors’ complaints in minimum possible time. This sub-committee also focuses on strengthening investors’ relations.

The Committee duly met once during the financial year on 14.02.2022 and all the members attended the meeting.

The Company has resolved all the complaints from the stakeholders. There are no pending letters/ complaints as on the date of the Directors’ Report.

Name and designation of the Compliance officer: Mr. B. Narahari, Company Secretary

7. MD/CFO CERTIFICATION

The Managing Director and CFO of the Company have certified to the Board that the financial results of the Company for the year ended 31st March, 2022 do not contain any false or misleading statements or figures and do not omit any material facts which may make the statements or figures contained therein misleading as required by Regulation 33 of SEBI (LODR) Regulations.

8. GENERAL BODY MEETING:

i) Location and Time of the last 3 Annual General Meetings:

Year	Date of AGM	Time of Meeting	Place where the meeting was held
2021	30.09.2021	11.30 A.M	Plot no. A 18 & 19, A.P.I.E, Balanagar, Hyderabad - 500037
2020	31.12.2020	11.30 A.M	
2019	30.09.2019	11.30 A.M	

No Extra-Ordinary General Meeting of the shareholders was held during the year.

ii) Whether any special resolution passed in the previous AGMs: YES

47th AGM – 30.09.2021:

a. Approval of continuation of payment of remuneration of Mr. V.C.Janardan Rao, Chairman & Managing Director of the Company as per Regulation 17 (6)(e) of SEBI (LODR) Regulations

46th AGM – 31.12.2020:

- a. Appointment of Mr. G. Narayan Rao as Independent Director of the Company for a period of 5 Years w.e.f 15.09.2020.
- b. Appointment of Mr. U. Sri Krishna Rao as Executive Director of the Company for a period of 3 Years w.e.f 15.09.2020.

45th AGM – 30.09.2019:

- a. Re-appointment of Mr.V. C. Janardan Rao as Managing Director of the Company for a further period of 3 Years w.e.f 1st January, 2020
- b. Re-appointment of Mr.V. Pattabhi and Mr. B.S. Srinivasan as Non-Executive Independent Directors of the Company for a further period of 5 Years w.e.f 30th September, 2019.

- iii) Whether any special resolution passed last year through postal ballot: NO
- iv) Whether any special resolution is proposed to be conducted through postal ballot:
No Postal Ballot was conducted during the year. None of the resolutions proposed for the ensuing Annual General Meeting need to be passed by Postal Ballot
- v) Procedure for postal ballot: N.A.

9. COMPLIANCE OF INSIDER TRADING NORMS:

The Company has adopted the code of internal procedures and conduct for listed companies notified by Securities Exchange Board of India prohibiting Insider Trading. A Policy document on internal code of conduct is available at the registered office of the Company. Insiders are complying with the code of conduct adopted by the Company from time to time.

10. MEANS OF COMMUNICATION:

The Quarterly results of the Company are published in the newspapers like Nava Telangana, Financial Express and Annual Reports are sent to all the Shareholders yearly and the same will be displayed in www.veljan.in along with the official press releases, if any.

11. GENERAL SHAREHOLDER INFORMATION:

- a) The 48th Annual General Meeting of the Company will be held on Friday, 30th September, 2022 at 11.30 A.M. at Plot No. A 18 & 19 APIE, Balanagar, Hyderabad-500037, Telangana.

- b) The Financial Year: 1st April, 2022 to 31st March, 2023.

Financial Calendar 2022 - 2023 (tentative)

First Quarter results (April - June) : 12.08.2022

Second Quarter results (July – Sept) : On or before 14th November 2022

Third Quarter results (Oct – Dec) : On or before 14th February 2023

Annual Results audited (Audited) : On or before 30th May 2023

- c) Date of Book Closure: 24th September 2022 to 30th September 2022 (both days inclusive).
- d) The Shares of the Company are listed at BSE Limited, Mumbai.
- e) The listing fees for the financial years 2021-22 and 2022-23 has been paid to the stock exchange.
- f) Stock code: 505232
- g) ISIN for the Company's Equity Shares: INE 232E01013
- h) Depositories for Equity Shares: National Securities Depository (NSDL) Limited and Central Depository Services Limited (CDSL)
 - i) Dividend Payment Date: Final Dividend is proposed at the AGM and if approved will be paid within 30 days from the date of AGM subject to the approval of members.
- j) Shares received for physical transfers (transmission requests only) are generally registered within a period of 10 days from the date of receipt of the valid and duly filled up transfer deeds.
- k) In respect of transfer of physical shares, Shareholders are advised to contact our RTA; M/s. Venture Capital and Corporate Investments Limited; 12-10-167, Bharath Nagar, Hyderabad-500018, Telangana. Phones: 040-23818475

l) Monthly High and Low Stock quotations during the financial year are as follows:

Month	Share Price			BSE Sensex	
	High (Rs.)	Low (Rs.)	No. of Shares Traded	High (Rs.)	Low (Rs.)
Apr-21	770	690	5186	50375.77	47204.5
May-21	876	712	9409	52013.22	48028.07
Jun-21	1242	815	47774	53126.73	51450.58
Jul-21	1325	945	40266	53290.81	51802.73
Aug-21	1434	1011	18695	57625.26	52804.08
Sep-21	1275	972	14489	60412.32	57263.9
Oct-21	1080	851	14491	62245.43	58551.14
Nov-21	1150	855	14969	61036.56	56382.93
Dec-21	1160	951	8023	59203.37	55132.68
Jan-22	1424	1160	46579	61475.15	56409.63
Feb-22	1300	1001	15587	59618.51	54383.2
Mar-22	1233	1090	8483	58890.92	52260.82

Source: www.bseindia.com

m) REGISTRAR AND TRANSFER AGENTS:

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

n) **SHARE TRANSFER SYSTEM:**

The share transfers which are received in physical form are processed and the share certificates are returned within a period of 10 to 15 days from the date of receipt, subject to the documents being found valid and complete in all respects. The Company appointed M/s. Venture Capital & Corporate Investments Pvt. Ltd as common Registrar and Transfer Agents for dealing with all the activities connected with both physical and demat segments pertaining to the Securities of the Company. As per revised regulation 40 of the SEBI (LODR) Regulations, 2015, shares will no longer be transferred in physical mode. Any investor who is desirous of transferring shares (which are held in physical form) after April 01, 2019 can do so only after the shares are dematerialized.

o) Commodity price risk or foreign exchange risk and hedging activities: No hedging activities had been taken up by the company.

q) Information in respect of transfer of shares to IEPF and unclaimed dividends due for remittance into Investor Education and Protection Fund (IEPF) is given below:

Under the provisions of the Companies Act, 2013 dividends that remain unclaimed for a period of seven years from the date of declaration are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government and also during the financial year 2017-18 MCA also notifies the transfer of under laying shares of unclaimed / unpaid dividend for seven years to IEPF account. The Company has transferred the unpaid dividend till 2013-14 to IEPF.

Your Company will undertake necessary steps for transfer of unclaimed / unpaid dividend and underplaying shares pertains to financial year 2014-15 in accordance with the applicable provisions of the Act and Rules and ensure the transfer to IEPF account. Shareholders are required to claim the unpaid dividend if any immediately.

The unclaimed dividends as on March 31, 2022 with due date of transfer to IEPF is as follows:

Financial Year	Date of transfer to IEPF
2014-15	October 2022
2015-16	October 2023
2016-17	October 2024
2017-18	October 2025
2018-19	October 2026
2019-20	April 2027
2020-21	October 2028

12. A. DISTRIBUTION OF SHARE HOLDING AS ON 31st MARCH, 2022:

Nominal Value Rs.	Holders		Amount	
	Number	% to Total	In Rs.	% to Total
Upto - 5000	2645	96.92	1463020	6.50
5001 - 10000	40	1.47	305226	1.36
10001 - 20000	17	0.62	223120	0.99
20001 - 30000	2	0.07	47090	0.21
30001 - 40000	4	0.14	139150	0.62
40001 - 50000	3	0.11	145000	0.64
50001 - 100000	6	0.22	463550	2.06
100001 and above	12	0.44	19713844	87.61
TOTAL	2,729	100.00	2,25,00,000	100.00

12. B. SHAREHOLDING PATTERN AS ON 31st MARCH, 2022:

Category	Number of Shareholders	No. of Shares held	Percentage of Shareholding (%)
Promoters	10	16,87,097	74.98
Mutual Funds and UTI	0	0	0.00
Banks, Financial Institutions, Insurance Companies	0	0	0.00
Flls	0	0	0.00
Bodies Corporate	30	8,301	0.37
Indian Public	2,657	3,07,402	13.66
Non-Resident Indians	28	823	0.04
Clearing Members	3	26	0.00
IEPF	1	2,46,351	10.95
Total	2,729	22,50,000	100.00

13. DEMATERIALISATION OF SHARES AND LIQUIDITY:

21,97,511 shares of the Company representing 97.67% of the total paid up share capital of the Company are being held in Demat form as on 31st March, 2022.

14. OUTSTANDING GDRS / ADRS / WARRANTS AND OTHER CONVERTIBLE INSTRUMENTS:

Conversion dates and likely impact on equity: NIL

15. PLANT LOCATION:

Plot No.10A, Phase – I, Industrial Development Area, Patancheru, Sangareddy District, Telangana – 502319

16. ADDRESS FOR CORRESPONDENCE:

Veljan Denison Limited
 Secretarial Department
 Plot No. 44, 4th Floor, HCL Towers,
 Chikoti Gardens, Begumpet, Hyderabad – 500016
 Telephone: 040-27764546, Fax: 040-27765253
 Email: comp_secy@veljan.in
 Website: www.veljan.in

17. DISCLOSURES:

- a) Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its Promoters, Directors or the Management, their Subsidiaries or Relatives etc. that may have potential conflict with the interests of the Company at large: NIL.

All transactions entered into with related parties during the financial year were on arm's length basis and in the ordinary course of business. The transactions with related parties are in compliance with sec 188 of the companies act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year 2021-22, as required under section 177 of the Companies Act, 2013 and Regulation 23 of the Listing Regulations, all RPTs were placed before the Audit Committee for approval.

There were no materially significant transactions entered into by the Company with the related parties which might be deemed to have had a potential material conflict with the interests of the Company at large. The details of the related Party transactions entered during the year and disclosures as required by the Indian Accounting Standards (IND AS 24) are disclosed in the Notes to Accounts.

- b) Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years:

During the year 2020-21, BSE has levied a fine amount of Rs. 4,84,400/- for non-compliance of SEBI regulations in connection with the Board's strength of 6 directors and the same was waived off upon representation made by the company.

- c) The Company has adopted, the Vigil Mechanism and Whistle Blower Policy to provide a framework to promote responsible and secure reporting of undesirable activities. During the year there was no reporting of any undesirable activity by any person.
- d) Details of compliance with Mandatory requirements and adoption of the Non- mandatory requirement of this clause: All mandatory requirements have been appropriately complied with. The Company has adopted various non-mandatory requirements wherever possible.
- e) Web link where policy for determining material subsidiaries is disclosed: Not applicable as there are no subsidiaries of the Company.
- f) Web link where policy on dealing with related party transactions: www.veljan.in/investors_policy
- g) Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Work Place (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (Permanent, Contractual, Temporary, Training) are covered under this Policy. There were no complaints at the beginning of the year i.e. as on 1st April, 2021 and during the year the Company has not received any complaints and no complaints were pending as on 31st March, 2022.

- h) Insider Trading:

The Board of Directors of the Company has duly adopted revised Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by insiders of the Company, pursuant to the provisions of Regulation 8 (Code of Fair Disclosure) and Regulation 9 (Code of Conduct), respectively, of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018. The above codes came into effect from 01st April, 2019.

The Code of Conduct has been adopted with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary & Compliance Officer is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

- i) Accounting Treatment: The Company has followed the Ind AS accounting standards in the preparation of its financial statements.
- j) Risk Management: During the year, the risk assessment parameters were reviewed and modified, wherever needed. The audit committee/ Board reviewed the element of risks and the steps taken to mitigate the risks. In the opinion of the Board, there are no major elements of risk which has the potential of threatening the existence of the Company.

- k) The information on Directors seeking re-appointment/appointment is provided as annexure to the notice of the Annual General Meeting under the heading "Additional information on Directors seeking Re appointment/appointment at the ensuing Annual General Meeting".

During the Financial Year ended 31st March, 2022 no Independent Director resigned before the expiry of his tenure.

- l) M/s. K. S. Rao & Co., Chartered Accountants (FRN: 003109S) have been appointed as the Statutory Auditors of the Company. The Auditor remuneration details are provided in the Notes to financial statements which will form part of the Annual Report.
- m) Certificate by Practicing Company Secretary: The Company has received a certificate from Mrs. D. Soumya, Practicing Company Secretary, confirming that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/Ministry of Corporate Affairs or any such authority.
- n) Compliance Officer: Mr. Narahari Bellamkonda, Company Secretary is Compliance Officer of the Company for complying with requirements of Securities Laws.

18. The Company has complied with all the requirements of Corporate Governance Report as set out in paras (2) to (10) above.

19. Non-mandatory requirements/Discretionary Requirements as stipulated in Regulation 27 (1) read with Part E of the Schedule II of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

- a) The Company's financial statements are with unmodified audit opinion.
b) The Internal auditors of the Company report directly to the Audit Committee of the Board.

20. The Company has complied with all the mandatory clauses of corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of the regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from the date of its applicability.

21. Disclosures with respect to demat suspense account/ unclaimed suspense account:

The Company has followed the due procedure as provided in the Regulation 39 (4) read with Schedule V & VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in dealing with the unclaimed shares in Public issue/ Rights issues. There were no un-claimed shares in the said accounts.

22. Compliance Certificate regarding compliance of conditions of corporate governance

As required by Schedule V (E) to SEBI (LODR) Regulations, 2015 the secretarial auditors' certificate on corporate governance is enclosed to this report and forms part of this report.

DECLARATION ON CODE OF CONDUCT

This is to confirm that the Board has laid down a Code of Conduct for all Board Members and senior management personnel of the Company. The code of conduct has also been posted on the website of the Company. It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on 31st March, 2022 as envisaged in Listing Regulations.

Place: Hyderabad
Date: 06-09-2022

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

MD/ CFO CERTIFICATION

To
The Board of Directors
Veljan Denison Ltd.
Hyderabad

In relation to the Audited Financial Accounts of the Company as at 31st March, 2022, we hereby certify that:

We have reviewed Financial Statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:

- (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 the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

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 volatile of the Company's code of conduct.

We accept responsibility for 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 we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.

We have indicated to the auditors and the Audit committee that

- (i) the significant changes in internal control over financial reporting during the year;
- (ii) the significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (iii) no instances of significant fraud of which they 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

For Veljan Denison Limited

Date: 30-05-2022
Place: Hyderabad

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

G. Subba Rao
C.F.O

CERTIFICATE OF CORPORATE GOVERNANCE

Under Regulation 34(3) read with Schedule V (E) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

To,

The Members of

VELJAN DENISON LIMITED

(CIN: L29119TG1973PLC001670)

We have examined all the relevant records of VELJAN DENISON LIMITED (the Company) for the purpose of certifying the compliance of the conditions of Corporate Governance by the Company as stipulated under Regulation 17 to 27, Clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('SEBI Listing Regulations') for the period commencing from 1st April, 2021 and ended on 31st March, 2022. We have obtained all the information and explanations which are to the best of our knowledge and belief were necessary for the purpose of certification.

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

We certify that the company has complied with the conditions of Corporate Governance wherever possible as stipulated in the SEBI Listing Regulations for the Financial Year ended on 31st March, 2022 as well as the guidelines issued by DPE on Corporate Governance.

This Certificate 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.

For BS & Company Company Secretaries LLP

DAFTHARDAR SOUMYA

Designated Partner

FCS No.: 11754

C P No.: 13199

UDIN: F011754D000928076

Date: 06-09-2022

Place: Hyderabad

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**INDUSTRY STRUCTURE AND DEVELOPMENTS:**

Products that use liquid fluid power for their operations are referred to as hydraulic products and hydraulic liquid is pumped to cylinders and motors through the machine and is pressurized considering the resistance. The hydraulic equipment holds on to constant force irrespective of change in speed of the operation. The global hydraulics market size is estimated to be USD 42 billion in 2022 and is projected to reach USD 50 billion by 2027 with a CAGR of 3.8%. Asia Pacific region held the largest share of the hydraulics market in 2021 because of the rapid urbanization and industrialization and hydraulic cylinders accounted for largest share of hydraulics market in 2021.

The major demand for hydraulic products usually comes from major manufacturing countries like U.S.A, Germany, Italy and UK which are badly affected by the pandemic due to which the market has been affected negatively. Although economic activity witnessed a strong rebound towards the end of 2020, COVID-19 is expected to have a lasting impact going forward, as many countries and sectors are going through an uneven recovery. While the current recovery is well supported by ongoing vaccination programme, new variants of the virus continue to pose concerns on the outlook.

OUTLOOK:

The rising demand for material handling equipment, growing potential of construction industry and expansion of process industries are the major factors driving the growth of the hydraulics market and technological advancements leading to increasing demand for smart hydraulic products is promoting the growth of hydraulics equipment.

Hydraulic equipment are mobile and industrial. Mobile hydraulic equipment are used in moving objects such as cranes, loaders, dumpers, bulldozers, and similar other machines, whereas industrial hydraulic equipment are used in industries, including packaging, paper, plastic, and printing.

Development of construction & mining industries, automation in agriculture, and expansion of new manufacturing facilities have boosted the demand for hydraulic equipment. To meet the increasing demand, manufacturers of hydraulic equipment have adopted several strategies to expand their product portfolio and offer better service to their customers. Such strategies boost the demand for technically advanced hydraulic equipment, thereby promoting the growth of the market.

OPPORTUNITIES:

The development in infrastructure and construction segments has increased the demand for hydraulic products and the increase in the usage of automated solutions in various industries is driving the demand for the hydraulics market. Integrating electronics with hydraulic cylinders is driving an increase in accuracy, functionality, and improvements in controlled performance and ease of use.

Development of construction & mining industries, automation in agriculture, and expansion of new manufacturing facilities have boosted the demand for hydraulic equipment.

RISKS AND CONCERNS:

The rise in raw material prices and any slackness in implementation of various infrastructure projects may slow down the demand. Increasing competition from cheaper imports, may impact the Company's market-share and volumes.

Rise in the input costs such as Power, Human Resources, and drop in demand due to unforeseen adverse market conditions, technological obsolescence are issues of concern and may put pressure on the performance of the Company.

Hydraulic products operate on hydraulic fluids and various factors that lead to oil leakage in hydraulic products is a major concern for environmental issues. Replacement of hydraulic equipment with electro-mechanical systems has restrained the hydraulic equipment market growth.

INTERNAL CONTROLS SYSTEMS AND THEIR ADEQUACY:

The Company has adequate Internal Control Procedures commensurate with the size of the Company.

FINANCIAL PERFORMANCE REVIEW:

The analysis of performance of the Company is given below:

- **Sales Turnover:**

The Comparative position of sales turnover achieved by the Company is as under:

(Figures in Rs Lakhs)

Product	2021-22	2020-21
Revenue from Operations (Net)	9785.33	7356.87
Changes in inventories of Finished goods and Work-in-process	(249.27)	(94.14)
Total	10034.60	7451.01

- **Key Performance Indicators**

An analysis of the key indicators as percentage to revenue is given below:

S.No	Particulars	2021-22	2020-21
1.	Revenue from Operations (Net)	10,034.60	7451.01
2.	Cost of materials consumed - % of revenue from operations	3,619.74 36.07%	2908.72 39.04%
3.	Employee Benefit Expense - % of revenue from operations	827.48 8.25%	689.79 9.26%
4.	Other Expenses - % of revenue from operations	3,020.10 30.10%	2634.31 35.36%
5.	Finance Costs - % of revenue from operations	23.05 0.23%	42.10 0.57%
6.	Depreciation Expense - % of revenue from operations	469.95 4.68%	460.56 6.18%
7.	Profit Before Tax - % of revenue from operations	2,320.92 23.13%	896.66 12.03%
8.	Profit After Tax - % of revenue from operations	1,687.71 16.82%	685.50 9.20%

HUMAN RESOURCES / INDUSTRIAL RELATIONS:

A cordial environment prevailed in the manufacturing unit and offices of the Company during the year. The Company has been continuously training its employees in the newer technologies. Industrial relations continued to be cordial. The number employees as on March 31, 2022 stood at 244.

CAUTIONARY STATEMENT:

Cautionary Statement in this “Management Discussion & Analysis” may be considered being “forward looking statements” within the meaning of applicable securities law so regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

DISCLOSURE WITH RESPECT TO ACCOUNTING TREATMENT:

The Financial Statements does not contain any treatment which differs from any standard prescribed in any Accounting Standard.

To,
The Board of Directors,
Veljan Denison Limited
Plot No.44, 4th Floor,
Chikoti Gardens,
Begumpet, Hyderabad-500016
BSE CODE: 505232

Sub: Annual Secretarial Compliance Report for the Financial Year 2021-22

Dear Sir,

We have been engaged by Veljan Denison Limited (hereinafter referred to as the “Company”) bearing CIN: L29119TG1973PLC001670 whose equity shares are listed on BSE Limited to conduct an audit in terms of Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended read with SEBI’s Circular No. CIR/CFD/CMD1/27/2019 dated 08th February, 2019 and to issue the Annual Secretarial Compliance Report thereon.

It is responsibility of the management of the company to maintain records, devise proper systems to ensure compliance with the provisions of all the applicable SEBI Regulation and Circulars/Guidelines issued there under from time to time and to ensure that the systems are adequate and are operating effectively.

Our responsibility is to verify compliances by the company with provisions of all applicable SEBI Regulations and Circulars / Guidelines issued from time to time and issue a report thereon.

Our audit was conducted in accordance with Guidance note on Annual Secretarial Compliance Report issued by the Institute of Company Secretaries of India and in a manner which involved such examinations and verifications as considered necessary and adequate for the said purpose. Annual Secretarial Compliance Report is enclosed.

Under the situation of COVID-19 Pandemic prevailing during the period when the audit was conducted for the year 2021-22, all the documents, records and other information were verified and checked electronically as provided by the management.

For BS & Company Company Secretaries LLP

D Soumya
Practising Company Secretary
FCS.No: 11754
C.P.No.: 13199
UDIN: A029312D000417854

Date: 28-05-2022
Place: Hyderabad

**Secretarial compliance report of Veljan Denison Limited
for the year ended 31st March, 2022**

We, BS & Company Company Secretaries LLP, Practising Company Secretaries, have examined:

- (a) All the documents and records made available to us and explanation provided by Veljan Denison Limited (“the listed entity”),
- (b) The filings/submissions made by the listed entity to the stock exchanges,
- (c) Website of the listed entity,
- (d) Any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31st March, 2022 (“Review Period”) in respect of compliance with the provisions of:

- (a) The Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
- (b) The Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - NA
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2014; - NA
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - NA
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; - NA
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and circulars/ guidelines issued thereunder;

And based on the above examination, we hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder.

S.No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practising Company Secretary
		Nil	

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from our examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

S.No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practising Company Secretary, if any.
Nil				

- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

S.No.	Observation of the Practising Company Secretary in the Previous reports	Observation made in the secretarial compliance report for the year ended 31-03-2021 (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practising Company Secretary on the actions taken by the listed entity
1	Regulation 17(1) - Non-compliance with the requirements pertaining to the composition of the Board for the Quarters ended June, 2020 and September, 2020.	The Company has received notice from BSE and levied penalty for the non-Compliance under the Regulation 17. However the company has paid the penalty levied and subsequently the levied penalty was waived off and the amount paid was adjusted against the listing fee to be paid by the company for the year 2021-22.	The Company has paid levied penalty.	No Comments.

For BS & Company Company Secretaries LLP
D Soumya
Practising Company Secretary
F No: 11754
C.P. No.: 13199
UDIN: A029312D000417854

Date: 28-05-2022
Place: Hyderabad

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of
Veljan Denison Limited
Plot No.44, 4th Floor,
Chikoti Gardens,
Begumpet, Hyderabad-500016
BSE CODE: 505232

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Veljan Denison Limited having CIN L29119TG1973PLC001670 and having registered office at Plot No.44, 4th Floor, Chikoti Gardens, Begumpet, Hyderabad-500016 (hereinafter referred to as 'the Company'), produced before us 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 the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs.

S.No.	Name of Directors	DIN	Date of Appointment in the Company
1	Janardan Rao Chandrasekhara Velamati	00181609	19/12/1973
2	Uma Devi Uppaluri	00125840	30/07/2014
3	Subbiah Srinivasan Battina	00482513	30/08/2013
4	Narayana Rao Garapaty	00029120	31/07/2020
5	Srikrishna Uppaluri	08880274	15/09/2020
6	Suresh Akella	06931014	30/09/2021

Ensuring the eligibility of Directors, for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our 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.

For BS & Company Company Secretaries LLP

D Soumya
Practising Company Secretary
FCS. No: 11754
C.P. No.: 13199
UDIN: A029312D000417678

Date: 28-05-2022
Place: Hyderabad

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014:

(A) Conservation of Energy:

- i) The operations of the company are not energy intensive however conscious efforts are made at all levels of operations to conserve energy and minimise its use.
- ii) The steps taken by the Company for utilizing alternate sources of energy: Use of solar light in possible areas
- iii) The capital investment on energy conservation equipments: NIL

(B) Technology absorption:

- i) The efforts made towards technology absorption: A Continuous interaction and exchange of information in the industry is being maintained with a view to absorbing, adapting and innovating new methods that may be possible.
- ii) The benefits derived like product improvement, cost reduction, product development or import substitution: Quality improvement, cost reduction and import substitution.
- iii) In case of imported technology (imported during the last three years reckoned from beginning of the financial year)-
 - a) The year of import: NIL
 - b) Whether the technology has been fully absorbed: NIL
 - c) If not fully absorbed, areas where absorption has not taken place and the reasons thereof: Not applicable
- iv) The expenditure incurred on Research and Development: Nil

(C) Foreign Exchange Earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows:

Foreign Exchange used: Rs. 419.64 Lacs (Previous Year Rs. 265.77 Lacs)

Foreign Exchange earned: Rs. NIL (Previous Year: NIL)

By order of the Board
FOR VELJAN DENISON LIMITED

Place: Hyderabad
Date: 06-09-2022

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

ANNEXURE TO BOARDS' REPORT

Form No. AOC-2

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

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

(a)	Name(s) of the related party and nature of relationship	Not Applicable
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts/arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any:	
(h)	Date on which the special resolution was passed in General Meeting as required under first provision to section 188.	

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

	Name(s) of related party	Relationship	
(a)	M/s. Veljan Hydrair Ltd	Group Company	
	M/s. Suxus Systems Ltd	Group Company	
	M/s. Ecmat Ltd	Group Company	
(b)	Nature of contracts/arrangements/transactions	All proposed transactions are proposed to be carried out based on business requirements of the Company and shall be in ordinary course of business and at arms' length. All the transactions are for sale, purchase of goods or materials within Veljan group.	
(c)	Duration of the contracts/arrangements/transactions	One Year w.e.f 01-04-2021	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Name of the Company	Maximum Value of Transaction per annum
		Veljan Hydrair Ltd	120 Crores
		Suxus Systems Ltd	30 Crores
		Ecmat Ltd	30 Crores
(e)	Date(s) of approval by the Board, if any	12-02-2021	
(f)	Amount paid as advances, if any	NA	

By order of the Board
FOR VELJAN DENISON LIMITED

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

Place: Hyderabad
Date: 06-09-2022

DETAILS OF RATIO OF REMUNERATION OF DIRECTORS

{Section 197(12) and Rule 5 of Companies
(Appointment and Remuneration of Managerial Personnel) Rules,2014}

- (i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year

Name of the Director	Ratio
Shri V C Janardan Rao (9 months)	9.63
Mr. U. Sri Krishna (12 months)	34.33

- (ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year

Name of the Employee	Designation	% Increase
Mr. V C Janardan Rao	Chairman and Managing Director	Nil
Mr. U. Sri Krishna	Executive Director & CEO	0.68
Mr. G Subba Rao	Chief Financial Officer	Nil
Mr B Narahari	Company Secretary	Nil

- (iii) the percentage decrease in the median remuneration of employees in the financial year: 9.12%
- (iv) the number of permanent employees on the rolls of company: 244
- (v) comparison of the remuneration of the Key Managerial Personnel against the performance of the company

Aggregate remuneration of key managerial personnel in 2021 - 2022	
Remuneration in 2021 (Rs in Lakhs)	118.08
Revenue (Rs in Lakhs)	9785.33
Remuneration as a % of revenue	1.21
Profit before Tax (PBT) (Rs in Lakhs)	2320.92
Remuneration of KMP (as a % of PBT)	5.09

- (vi) 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:

There was increase in managerial remuneration by 16.07% on annualised basis and the increase in remuneration is after taking into consideration of the responsibilities carried out by the managerial personal.

- (vii) comparison of the each remuneration of the Key Managerial Personnel against the performance of the company

Key Managerial Personnel	% of Revenue	% of PBT
Mr. V C Janardan Rao	0.21	0.87
Mr. U. Sri Krishna	0.73	3.09
Mr. G. Subba Rao	0.10	0.41
Mr B Narahari	0.17	0.71

- (viii) The key parameters for any variable component of remuneration availed by the directors : Executive Director is entitled 2% on profits as part of remuneration and 1% on profits is paid as commission to non executive directors.

- (ix) Variations in market capitalisation of the company etc.

Particulars	2021 - 2022	2020 - 2021
Market Capitalisation	Rs. 256 Crores	Rs. 155 Crores
Price earnings ration (based on EPS)	15.19	22.63
Market quotation of the shares compare to rate at which came out with IPO : The company came with IPO in 1979 at a price of Rs. 10/- per share and as on 31.03.2022, the market quotation of the share is Rs. 1140/- in BSE		

- (x) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year

Mr. U. Sri Krishna is the highest paid Director of the Company. In Financial year 2021-22, none of the employees has received remuneration in excess of the highest paid Director.

We hereby affirm that the remuneration paid to the Directors and Employees is as per remuneration policy of the Company.

by order of the Board of Directors
For **Veljan Denison Ltd.**

Place : Hyderabad
Date : 06-09-2022

V C Janardan Rao
Chairman and Managing Director
DIN: 00181609

Annexure to Directors Report
ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline of the Corporate Social Responsibility (CSR) Policy: The 'Veljan CSR Policy' encompasses the Company's philosophy of "Serving Society through Industry" and is designed to employ Company's resources, strengths and strategies in discharging its responsibility as a Corporate Citizen.

2. The Composition of the CSR Committee:

Name of the Director	Designation	No. of Meetings Held	No. of Meetings Attended
Shri. V C Janardan Rao	Managing Director & Chairman	1	1
Shri. B.S. Srinivasan	Independent Director & Member	1	1
Smt. U. Uma Devi	Non-Executive Director & Member	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: http://veljan.in/investors_policy.html

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl No	Financial Year	Amount available for set-off from preceding financial years (in Rs. Lakhs)	Amount required to be setoff for the financial year, if any (in Rs. Lakhs)
1	2020-21	2.11	Nil
1	2019-20	1.45	Nil
2	2018-19	2.36	Nil

6. Average net profit of the company as per section 135(5): Rs 1700.50 Lakhs

7. (a) Two percent of average net profit of the company as per section 135(5): Rs. 34.01 Lakhs
 (b) Surplus arising out of the CSR projects or programs or activities of the previous financial years: Nil
 (c) Amount required to be set off for the financial year, if any: Nil
 (d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 34.01 Lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs. Lakhs)	Amount Unspent (in Rs. Lakhs)					
	Total Amount transferred to Unspent CSR Account as per section 135(6).			Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer		Name of the Fund	Amount	Date of Transfer
Rs. 62.36	0	-		-	0	-

(b) Details of CSR amount spent against ongoing projects for the financial year: NIL

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

S.No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the Project		Amount Spent for the project in Rs Lakhs	Mode of Implementation	Mode of Implementation - Through Implementing Agency	
				State	District			Direct Yes/No	Name
1	L V Prasad Eye Hospital	(i)	Yes	Telangana	Hyderabad	30.00	Direct	NA	NA
2	Contribution to Sivananda Rehabilitation Home	(i)	Yes	Telangana	Hyderabad	14.21	Direct	NA	NA
3	Indian Redcross society	(i)	No.	Andhra Pradesh	W.Godavari	16.60	Direct	NA	NA
4	Contribution to Save a Child	(i) & (ii)	No	Delhi	Delhi	1.09	Direct	NA	NA
5	Contribution to The United Orphanage for the disabled	(I)	No	Tamilnadu	Coimbatore	1.00	Direct	NA	NA

- (d) Amount spent in Administrative Overheads: Nil
- (e) Amount spent on Impact Assessment, if applicable: Nil
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 62.36 Lakhs
- (g) Excess amount for set off, if any: Rs. 28.35 Lakhs

S.No	Particulars	Amount (in Rs. Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	34.01
(ii)	Total amount spent for the Financial Year	62.36
(iii)	Excess amount spent for the financial year [(ii)-(i)]	28.35
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)- (iv)]	28.35

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not applicable.
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Not applicable.
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not applicable.

Date : 06-09-2022
Place : Hyderabad

V C Janardan Rao
Chairman of CSR Committee
DIN: 00181609

Form No. MR-3

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022**

To,
**The Members,
Veljan Denison Limited**

We were appointed by the Board of Directors of Veljan Denison Limited (“the Company”) to conduct the Secretarial Audit for the financial year ended March 31, 2022.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the Company. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other documents/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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company and relied on the information provided by the management and its officers for the financial year ended on 31st March, 2022 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 byelaws framed there under;
- IV. The Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:-
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;

We have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) which the Company is in process of adopting.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards except for filing of Form MGT-14 with the Registrar of Companies for the resolution passed to Increase the Remuneration to Executive Director approved in the Board Meeting of the company.

We further report that

The Board of Directors of the Company was constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board / Committee meetings, agenda and detailed notes on agenda were sent 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.

During the period under review, resolutions were carried through majority. As confirmed by the Management, there were no dissenting views expressed by any of the members on any business transacted at the meetings held during the period under review.

Based on the information, documents provided and the representations made by the Company, its officers during our audit process in our opinion, there are adequate systems and processes exist in the Company commensurate with the size and operations of the Company, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

The compliance by the Company of the applicable financial laws, labour laws, filing of periodical returns, maintenance of financial records and books of accounts have not been reviewed by us since the same have been subject to review by Statutory Auditors, Internal Auditors and other professionals.

Under the situation of COVID-19 Pandemic prevailing during the period when the audit was conducted for the year 2021-22, all the documents, records and other information were provided in soft copies and we have verified and checked electronically as provided by the management.

For BS & Company Company Secretaries LLP

DAFTHARDAR SOUMYA
Designated Partner
FCS No.: 11754
C P No.: 13199
UDIN: F011754D000928032

Date: 06-09-2022
Place: Hyderabad

NOTE: This report is to be read with our letter of even date which is annexed as ‘Annexure’ and forms an integral part of this report.

To,
**The Members,
Veljan Denison Limited**

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of applicable laws, rules and regulations etc.
5. The compliance of the provisions of Companies Act, 2013 and other applicable laws, Rules, Regulations, secretarial standards issued by ICSI is the responsibility of the Management. Our examination was limited to the verification of procedures on 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.
7. We further report that, based on the information provided by the Company, its officers, authorized representatives during the conduct of the audit and also on the review of quarterly compliance report by the respective departmental heads/ Company Secretary/ Managing Director taken on record by the Board of the Company, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like labour laws & Environment laws and Data protection policy.
8. We further report that the compliance by the Company of applicable fiscal laws like Direct & Indirect tax laws have not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

For BS & Company Company Secretaries LLP

**DAFTHARDAR SOUMYA
Designated Partner
FCS No.: 11754
C P No.: 13199
UDIN: F011754D000928032**

Date: 06-09-2022
Place: Hyderabad

Independent Auditor's Report

To
Board of Directors of Veljan Denison Limited.

Report on the audit of the Financial Results

Opinion

We have audited the accompanying financial statements of **VELJAN DENISON LIMITED** ("the company"), which comprise the Balance Sheet as at March 31, 2022, 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 ended on that date, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the accompanying 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's responsibility for the Audit of 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 financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 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 financial statements of the current period. These matters were addressed in the context of our audit of the 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 communicate in our report.

Key Audit Matters	Auditor's Response
<p>Valuation of inventory</p> <ul style="list-style-type: none"> The value of inventory, as at the balance sheet date amounts Rs.45.34 crores accounting for 33.29% of total current assets. Inventories are considered as key audit matter on account of its significant proportion in the total current assets and it involves judgement in its valuation, taking into account the obsolescence and measuring inventories at the lower of cost and Net realizable value. Inventory comprises of Raw Materials, Finished Goods, Stock in Process and Stores and Spares and Jigs and Fixtures and patterns. 	<p>Our Procedures included</p> <p>To address the risk for material error on inventories, our audit procedures inter alia include:</p> <ul style="list-style-type: none"> Assessing the compliance of company's accounting policies over inventory with applicable accounting standards; Assessing inventory valuation processes and practices, in some locations we tested effectiveness of the key controls; Evaluating the assessments made in relation to slow moving and obsolete stock. We assessed the adequacy of company's disclosures related to inventories

Other Information

The Company's Board of Directors is responsible for the preparation of the 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 and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 that fact. We have nothing to report in this regard

Management's Responsibility for the Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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 give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(3) of the Companies Act, 2013 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 Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.
 - e) on the basis of written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act;

- f) with respect to the adequacy of internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”, Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company’s internal financial controls with reference to financial statements;
- g) With respect to Managerial Remuneration to be included in the Auditor’s report under 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. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

- 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 Auditor’s) 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 does not have any pending litigations that would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, 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 final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable

for **K.S.RAO & CO.**
Chartered Accountants
Firm’s Regn No. 003109S

(M.NAGA PRASADU)
Partner
Membership No.231388
UDIN: 22231388AKMULZ2940

Place : Hyderabad
Date : 30-05-2022

The Annexure referred to in Para 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date, to the members of **VELJAN DENISON LIMITED**, for the year ended March 31,2022.,

1. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

- a. (A) The Company is maintaining 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. As explained to us, the management has physically verified some of the Property, Plant and Equipment during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the 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 as at the balance sheet date, except the following.

Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period Held	Reason for not being held in the name if company
APIIC Land (Patancheru) Land Survey No.199,200, 201,202, Extent 16,920 Sq Mtrs	Rs.4,74,66,730/-	-	No	30.09.2008 to till date	Pending for registration

- d. The company did not revalue its Property, Plant and Equipment (including right of use assets) or intangible assets during the year. Accordingly, paragraph 3 (i)(d) of the Order is not applicable.
 - e. According to the information and explanations given to us and on our verification of records of the Company, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988. (45 of 1988) and rules made thereunder.
2. a. The inventory has been physically verified during the year by the management at reasonable intervals. In our opinion, the coverage and procedures of such verification is appropriate. The discrepancies noticed on physical verification between the physical stocks and book records were not material.
- b. In our opinion and according to the information and explanation given to us and the records of the Company examined by us during the course of the audit, the quarterly returns or statements filed by the company with banks or financial institutions are in agreement with the books of account of the Company.
3. During the year the Company has not made investments in, granted any loans or advance in the nature of loans, guarantee or security, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties. Accordingly, paragraph 3 (iii) of the Order is not applicable.
4. The Company has not given any loans or made any investments or given any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, paragraph 3 (iv) of the Order is not applicable.
5. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

6. We have broadly reviewed the cost records maintained by the Company pursuant to sub-section (1) of section 148 of the Companies Act and are of the opinion that prime 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 or complete.
7.
 - a. According to the records, the company is regular in depositing undisputed statutory dues including Goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and all other material statutory dues with the appropriate authorities and there were no arrears of statutory dues as at March 31, 2022 for a period of more than six months from the date they became payable.
 - b. According to the records of the Company and the information and explanations given to us, there were no statutory dues referred to in subclause (a) have not been deposited on account of any dispute.
8. According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
9.
 - a. According to the information and explanations given to us, the Company has not defaulted in repayment of loans or in the payment of interest thereon to any lender.
 - b. The Company has not been declared wilful defaulter by any bank or financial institution or any other lender.
 - c. The Company has not taken any term loan during the year. Accordingly, Paragraph 3(ix)© of the Order is not applicable.
 - d. The Company has not taken any term loan during the year. Accordingly, Paragraph 3(ix)© of the Order is not applicable.
 - e. The Company has not taken any funds from any entity or person on account of or to meet the obligations of associates.
 - f. The Company has not raised any loans during the year. Accordingly, Paragraph 3(ix)(f) of the Order is not applicable.
10.
 - a. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3 (x)(a) of the Order is not applicable.
 - b. During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence, reporting under clause 3(x)(b) of the Order is not applicable.
11.
 - a. According to the information and explanations given by the management and based upon the audit procedures performed No fraud by the Company and no material fraud on the Company has been noticed or reported during the year
 - b. No report under sub-section (12) of section 143 of the Companies 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. According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. a. In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business;
b. We have considered the reports of the Internal Auditors for the period under audit.;
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
16. a. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) (a), (b) and (c) of the Order is not applicable.
b. The Group has no Core Investment Company (CIC). Accordingly, paragraph 3(xvi)(c) of the Order is not applicable.
17. The company has not incurred any cash losses in the financial year and also in the immediately preceding financial year.
18. There is no resignation of statutory auditors of the Company during the year.
19. On the basis of the financial ratios, ageing and expected dates of realisation 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 Company is not 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 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 any 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.
20. There were no unspent amounts towards Corporate Social Responsibility. Accordingly, Paragraph 3(xx)(a) and (b) of the Order is not applicable for the year.

for **K.S.RAO & CO.**
Chartered Accountants
Firm's Regn No. 003109S

(M.NAGA PRASADU)
Partner

Membership No.231388
UDIN: 22231388AKMULZ2940

Place : Hyderabad
Date : 30-05-2022

Annexure – B to the Independent Auditor's Report

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of VELJAN DENISON LIMITED of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to financial statements of The KCP Limited (“the Company”) as of 31st March 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial Statements 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 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.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 unauthorised 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial Statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2022, based on the internal control with reference to financial statements 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.

for **K.S.RAO & CO.**
Chartered Accountants
Firm's Regn No. 003109S

(M.NAGA PRASADU)
Partner
Membership No.231388
UDIN: 22231388AKMULZ2940

Place : Hyderabad
Date : 30-05-2022

BALANCE SHEET AS AT 31st MARCH, 2022

(Figures in Rs Lakhs)

Particulars	Refer Note No	AS AT 31-03-2022	AS AT 31-03-2021
ASSETS			
1 NON-CURRENT ASSETS:			
(a) Property, Plant & Equipment	2	5,841.54	6,178.22
(b) Capital work-in-Progress	2	661.06	300.93
(c) Intangible Assets	2	4.00	4.74
(d) Financial Assets			
(i) Other Financial Asset	3	77.20	77.20
		<u>6,583.80</u>	<u>6,561.09</u>
2 CURRENT ASSETS:			
(a) Inventories	4	4,534.30	3,771.76
(b) Financial Assets			
i. Trade receivables	5	3,298.49	2,857.96
ii. Cash and cash equivalents	6	160.36	975.13
iii. Bank Balances Other than (ii) above	7	4,379.67	3,554.01
iv. Short Term Loan & Advances	8	10.42	11.97
v. Other Financial Assets	9	185.21	131.98
(c) Other Current Assets	10	952.86	872.94
(d) Current Tax Asset (Net)		96.26	38.39
		<u>13,617.57</u>	<u>12,214.14</u>
Total Assets		<u>20,201.37</u>	<u>18,775.23</u>
1 EQUITY AND LIABILITIES:			
EQUITY			
a) Equity Share Capital	11	225.00	225.00
b) Other Equity	12	16,919.63	15,456.92
		<u>17,144.63</u>	<u>15,681.92</u>
2 LIABILITIES:			
NON - CURRENT LIABILITIES			
a) Long Term Borrowing		-	
b) Other Long Term Liability - deferred Tax		323.95	290.79
c) Long Term Provisions	13	-	0.15
		<u>323.95</u>	<u>290.94</u>
3 CURRENT LIABILITIES:			
a) Financial Liabilities			
i) Short Term Borrowing	14	686.07	963.89
b) Trade Payable			
i) Total outstanding dues of micro, small & medium enterprises	15	61.09	7.02
ii) Total outstanding dues other than (b)(i) above		1,025.52	953.76
iii) Other Financial Liabilities	16	695.62	586.82
c) Other Current Liabilities	17	264.49	290.88
		<u>2,732.79</u>	<u>2,802.37</u>
Total Equity & Liability		<u>20,201.37</u>	<u>18,775.23</u>

The accompanying notes 1 to 54 form an integral part of financial statements.

As Per our report of even date
 for K S RAO & CO.,
 Chartered Accountants
 Firm Regn No 003109S

M NAGA PRASADU
 Partner
Membership No 231388

 Place: Hyderabad
 Date : 30-05-2022

For and on behalf of Board of Directors
V C JANARDAN RAO
 Chairman & Managing Director
 DIN: 00181609

B NARAHARI
 Company Secretary

U. UMA DEVI
 Director
 DIN: 00125840

G. SUBBA RAO
 C F O

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2022 (Figures in Rs Lakhs)

Particulars	Refer Note No	Year Ended 31-03-2022	Year Ended 31-03-2021
1. INCOME:			
a. Revenue from operations	18	9,785.33	7,356.87
b. Other Income	19	246.64	181.13
Total Income		10,031.97	7,538.00
2. EXPENSES:			
a. Cost of Materials Consumed	20	3,619.74	2,908.72
b. Changes in inventories of finished goods and work-in-process	21	(249.27)	(94.14)
c. Employee benefits expense	22	827.48	689.79
d. Finance cost	23	23.05	42.10
e. Depreciation & Amortisation Expenses	24	469.95	460.56
f. Other expenses	25	3,020.10	2,507.17
Total Expenses		7,711.05	6,514.20
Profit Before exceptional items and tax (1-2)		2,320.92	1,023.80
Exceptional items add / (Less)		-	127.14
Profit Before tax		2,320.92	896.66
Less Tax expenses:			
a. Current			
i. Relating to Current Period		571.47	229.72
ii. Relating to Previous Period		28.58	(22.93)
b. Deferred tax			
i. On Temporary		33.16	4.37
Total Tax Expense		633.21	211.16
Profit for the year		1,687.71	685.50
Other Comprehensive Income			
Items that will not be reclassified subsequently to Profit & loss		-	-
Income tax relating to items that will not be reclassified to P & L		-	-
Total Other Comprehensive Income for the period		-	-
Total Comprehensive Income for the period		1,687.71	685.50
Earning per equity share from continuing operations			
(1) Basic & Diluted		75.01	30.47

The accompanying notes 1 to 54 form an integral part of financial statements.

As Per our report of even date
for K S RAO & CO.,
Chartered Accountants
Firm regn No 003109S

For and on behalf of Board of Directors

M NAGA PRASADU
Partner
Membership No 231388

V C JANARDAN RAO
Chairman & Managing Director
DIN: 00181609

U. UMA DEVI
Director
DIN: 00125840

Place: Hyderabad
Date : 30-05-2022

B NARAHARI
Company Secretary

G. SUBBA RAO
C F O

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022 (Figures in Rs Lakhs)

A. EQUITY SHARE CAPITAL:	Amount		Amount
For the Year ended 31st march, 2022		For the Year ended 31st march, 2021	
Balance as at 1st April 2021	225.00	Balance as at 1st April 2020	225.00
Changes in equity Shares Capital during the year ended	-	Changes in equity Shares Capital during the year ended	-
Balance as at 31st March 2022	225.00	Balance as at 31st March 2021	225.00

B. OTHER EQUITY :

For the Year ended 31st March 2022

Particulars	Reserves and Surplus					FVOCI	Total
	Security Premium	Capital redemption reserve	investment allowance reserve	General reserve	profit & Loss a/c	equity Instruments	
Balance at 1st April 2021	45.00	3.00	12.80	14,721.12	675.00	-	15,456.92
i. Profit for the Year	-	-	-	-	1,687.71	-	1,687.71
ii. Additions / Deletions	-	-	-	-	-	-	-
Total Comprehensive Income (1+2)	45.00	3.00	12.80	14,721.12	2,362.71	-	17,144.63
Dividend paid	-	-	-	-	(225.00)	-	-
Transfer to general Reserve	-	-	-	1433.61	(1,433.61)	-	-
Balance as at 31st March 2022	45.00	3.00	12.80	16,154.72	704.11	-	16,919.63

The Description of the nature and purpose of reserves within equity is as follows.

- i) Security premium Reserve: Premium received on issue of equity shares credited to Securities premium reserve. It can be utilised as per the provision of section 63 of the Companies Act, 2013.
- ii) Capital Redemption Reserve - Created on cancellation of equity shares under the scheme of arrangement and redemption of preference shares. It can be utilised as per the provision of section 63 of the Companies Act, 2013
- iii) Capital Reserve- Comprise of Capital subsidy received for setting up manufacturing plant at mohad and profit on sale of assets over the Original cost of assets.

This is the Other Equity Statement referred to in our report of even date.

As Per our report of even date
for K S RAO & CO.,
Chartered Accountants
Firm regn No 003109S

For and on behalf of Board of Directors

M NAGA PRASADU
Partner
Membership No 231388

V C JANARDAN RAO
Chairman & Managing Director
DIN: 00181609

U. UMA DEVI
Director
DIN: 00125840

Place: Hyderabad
Date : 30-05-2022

B NARAHARI
Company Secretary

G. SUBBA RAO
C F O

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2022 (Figures in Rs Lakhs)

Particulars	As at 31-03-2022	As at 31-03-2021
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before Tax & Extraordinary items	2,320.92	1,023.80
Depreciation	469.96	460.56
Interest Expenses	23.05	42.11
Interest Income	(193.31)	(173.10)
Tools and Jigs, Fixtures and Patterns Written off	15.02	14.02
OPERATING CASH FLOW BEFORE WORKING CAPITAL CHANGE:	2,635.64	1,367.39
Adjustments for :		
Inventories	(777.56)	(28.33)
Trade receivable	(440.54)	803.33
Other Receivable	293.29	504.33
Trade payable	217.34	50.62
Income Tax paid	(657.91)	58.30
Exceptional items	-	(127.14)
Net cash flow operated from operating activities A	1,270.26	2,628.50
B CASH FLOW FROM INVESTING ACTIVITIES:		
Interest Received	147.19	161.85
Proceed from sale of Asset	1.91	-
Purchase of fixed Assets	(863.48)	(808.81)
Net Cash Used in investing Activities B	(714.38)	(646.96)
C CASH FLOW FROM FINANCE ACTIVITIES:		
Proceeds from Long Term Borrowing	-	(33.64)
working capital loans	(277.82)	376.10
Interest paid	(23.05)	(42.10)
Dividend paid	(244.13)	(19.63)
NET CASH FLOW OPERATED FROM FINANCING ACTIVITIES	(545.00)	280.73
D NET (INCREASE) / DECREASE IN CASH AND CASH EQUIVALENT	10.88	2,262.26
OPENING CASH & BANK BALANCE	4,529.14	2,266.87
CLOSING CASH & BANK BALANCE	4,540.02	4,529.14

- The above cash flow statement has been prepared under the Indirect Method set out in the Ind AS-7 specified under Section 133 of the Companies Act 2013.
- Previous year figures have been regrouped and recasted wherever necessary to conform to the current classification.

As Per our report of even date
for K S RAO & CO.,
Chartered Accountants
Firm regn No 003109S
M NAGA PRASADU
Partner
Membership No 231388

Place: Hyderabad
Date : 30-05-2022

For and on behalf of Board of Directors

V C JANARDAN RAO
Chairman & Managing Director
DIN: 00181609

B NARAHARI
Company Secretary

U. UMA DEVI
Director
DIN: 00125840

G. SUBBA RAO
C F O

NOTE NO 1**Notes to Financial Statements for the year ended 31st March, 2022.****CORPORATE INFORMATION:**

Veljan Denison Limited (the “Company”) is a Public Limited Company incorporated on 19th December, 1973 with its Registered Office at Plot No 44, 4th floor, HCL Towers, Chikoti Gardens, Begumpet, Hyderabad 500 016 Telangana State. The Company is engaged in the business of Manufacturing of Hydraulic Pumps, Motors, Valves and Custom Built Power Packs. The Company is listed on Bombay Stock Exchange Limited, Mumbai.

The financial statements of the company for the year ended March 31st, 2022 are approved for issue by the Company’s Board of Directors on 30th May, 2022.

SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS:**1. Significant Accounting Policies:****1.1. Statement of Compliance:**

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standard) Rules, 2015 notified under section 133 of the Companies Act 2013, amendments there to and other relevant provisions of the Act.

1.2. Basis of Preparation of Financial Statements:

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as specified under section 133 of the Companies Act 2013 and other relevant provisions of the Act.

These Ind AS Financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been consistently except where a newly issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hither to in use.

The financial statements are presented in INR which is also the Company functional currency and all values are rounded to the nearest Lakhs (INR 00,000) except when otherwise indicated.

1.3. Classification of Assets and Liabilities as Current and Non Current:

The Company has determined its operating cycle as 12 months for the purpose of classification of current and non-current assets and liabilities. This is based on the nature of product and the time between the acquisition of inventories for processing and their realization in cash and cash equivalents.

Deferred tax assets and deferred tax liabilities are classified as non –current assets and liabilities.

1.4. Use of Estimates & Judgments:

The estimates and Judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances.

1.5. Property, Plant and Equipment – Tangible Assets:

- i. Property, Plant and Equipment other than land are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises of purchase price and any attributable cost of bringing the assets to its working condition for its intended use.
- ii. Capital Work In Progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.
- iii. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.
- iv. Depreciation on Fixed Assets is provided on ascertained useful life of assets under Straight Line Method (SLM) prescribed in Schedule II of the Companies Act, 2013 except assets costing Rs. 5,000 or less on which depreciation is charged @100% in the year of acquisition.
- v. The Company follows the policy of charging depreciation on pro-rata basis on the assets acquired or disposed off during year.

1.6. Intangible Assets:

Intangible assets are stated at cost less accumulated amortization. Cost includes any expenditure directly attributable on making the asset ready for its intended use.

Intangible assets are amortized over their useful life.

1.7. Impairment of Assets:

The carrying values of assets/cash generating units at each balance sheet date are reviewed for Impairment if any indication of impairment exists. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value.

Recoverable value: Recoverable value being higher of value in use and fair value less cost of disposal. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognized as an expense in the Statement of profit and loss in the year in which an asset identified as impaired.

Cash & Cash Equivalents:

For the purpose of presentation in the statement of cashflows, cash and cash equivalents includes cash on hand, deposits held at call with principal institutions, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade Receivable:

Trade Receivables are recognised initially at fair value and subsequently measured at amortised cost using effective interest method, less provision for impairment.

1.8. Inventory:

Inventories of raw materials, consumable stores and packing materials are valued at cost on weighted average method, finished goods and work in progress are valued at cost on weighted average method or realisable value whichever less. Jigs & Fixtures and patterns are valued after providing for amortisation at 20% and 10% respectively

under written down value method. Initial tools were capitalised and amortised at 10% on written down value and further issue of tools are charged to revenue as and when issued.

1.9. Financial Instrument:

A Financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

a. Financial Asset:

Initial recognition and measurement:

All financial instruments are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through statement of profit and loss transaction costs that are attributable to the acquisition of the financial asset, purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the trade date i.e. the date that company commits to purchase or sell the asset.

Subsequent Measurement:

For the purpose of subsequent measurement financial assets are classified as measured at:

- 1) Amortised cost
- 2) Fair value through profit and loss (FVTPL)
- 3) Fair value through Other Comprehensive Income (FVTOCI)

Financial Asset measured at amortized cost:

Financial Assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flow 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 are measured at amortized cost using effective interest rate (EIR) method. The EIR amortization is recognized as finance income in the statement of Profit & Loss.

The company while applying above criteria has classified all the financial assets (except investments in equity share) at amortized cost.

Financial Assets Measured at fair value through other comprehensive Income:

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets collecting contractual cash flow that are solely payment of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI) interest income measured using the EIR method and impairment losses, if any are recognized in the statement of Profit and loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the statement of profit and loss.

Financial Assets at fair value through profit or loss (FVTPL):

Financial Asset are measured at fair value through profit & loss if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the statement of profit & loss.

Derecognition of Financial Assets:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Impairment of Financial Assets:

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the debt instruments, that are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

Expected credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive.

The management uses a provision matrix to determine the impairment loss on the portfolio of trade and other receivable. Provision matrix is based on its historically observed expected credit loss rates over the expected life of the trade receivables and is adjusted for forward looking estimates.

Expected credit loss allowance or reversal recognized during the period is recognized as income or expense, as the case may be, in the statement of profit and loss. In case of balance sheet, it is shown as reduction from the specific financial asset.

b. Financial Liabilities:**Initial recognition and measurement:**

Financial liabilities are recognized initially at fair value plus any transaction cost that are attributable to the acquisition of the financial liability except financial liabilities at FVTPL that are measured at fair value

Subsequent Measurement:

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial Liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

Financial Liabilities at amortized cost:

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount.

All the financial liabilities of the company are subsequently measured at amortised cost using effective interest method.

Derecognition of Financial Liabilities:

A financial liability shall be derecognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

1.10. Foreign Currency Transactions:

The functional and presentation currency of the Company is Indian Rupee. Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gains/losses arising on settlement as also on translation of monetary items are recognised in the Statement of Profit and Loss.

1.11. Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

1.12. Revenue Recognition:

Revenue is recognized when the significant risks and rewards of universal ship are transferred to buyer. Revenue can be reliably measured and it is probable that future Economic benefits will flow to the Company.

a. Sale of Products:

Revenue from the sale of goods measured fair value of consideration received or receivable net of returns, trade discounts and allowances, and excluding taxes collected on behalf of Government.

Effective 1st April 2019, the company has adopted Indian Accounting Standard 115 (Ind AS 115) “Revenue” from contracts with customers’ using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. 1st April 2018. The effect on adoption of Ind –AS 115 was insignificant.

b. Interest Income:

Interest on deposits with Government departments and financial Institutions are recognized in statement of profit and loss when the right to receive/receivable during the period.

1.13 Employee Benefits:

Short-term employee benefits are expensed as the related service is provided. A Liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

a. Defined Contribution Plans:

Contribution towards provident fund for employees is made to the regulatory authorities, where the company has no further obligations. Such benefits are classified as defined Contribution schemes as the company does not carry any further obligations, apart from the Contributions made on a monthly basis.

b. Defined benefit plans:

Gratuity liability is defined benefit obligation and is provided on the basis of an actuarial valuation on projected unit credit method made at the end of each year. The Company funds the benefit through contribution to LIC.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI) net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in Statement of profit and loss.

1.14. Taxes on Income:**Tax expense comprises of current and deferred tax:**

a. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Tax Act.

b. Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is measured

based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

1.15. Provisions:

Provisions are recognized when, as a result of past event, the Company has a legal or constructive obligation; it is probable that an outflow of resources will be required to in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

1.16. Contingent Liabilities:

Contingent Liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that arises from past events where it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

1.17. Claims:

Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

1.18. Offsetting:

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

1.19. Earnings per share:

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

1.20. Cash flow statement:

Cash flows are reported using the Indirect method. Whereby profit for the period is adjusted for effects of transactions of a non-cash nature. Any deferrals are 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.

1.21. Segment Reporting:

The operations of the company are related to one segment i.e Hydraulic equipment.

1.22. Events after Reporting date:

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period., the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

1.23. Recent Accounting Pronouncements:**Ind AS 116 – Leases:**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company has adopted Ind AS 116 – Leases, using “Modified retrospective approach” with effect from 1 April 2019 and accordingly these financial statements are prepared in accordance with the recognition and measurement principles laid down in Ind AS 116. Also, the application of IND AS 116 did not have any significant impact on the financial statements considering the number of assets under operating lease arrangements of the company.

At the date of commencement of lease, the Company recognises a Right-of-use asset (“ROU”) and a corresponding liability for all lease arrangements in which it is a lessee, except for leases with the term of twelve months or less (short term leases) and low value leases. For short term and low value leases, the Company recognises the lease payment as an operating expense on straight line basis over the term of lease.

Right-of-use assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortised cost at the present value of the future lease payments.

aa) Standards issued but not yet effective:

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

1.24. Critical Accounting Estimates and Judgments:

The preparation of financial statements is in conformity with generally accepted accounting principles which require management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting period. Although these estimates are based upon management’s best knowledge of current events and actions, actual results could differ from these estimates. Revisions in accounting estimates are recognized prospectively.

The areas involving critical estimates or judgments are:

Estimates of useful life of property, plant and equipment and intangibles

Measurement of defined benefit obligation

Recognition of deferred taxes

Estimation of impairment

Estimation of provision and contingent liabilities

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022 (Figures in Rs Lakhs)

NOTE NO 2 - PROPERTY, PLANT & EQUIPMENT:

Particulars	GROSS BLOCK			
	As at 01.04.2021	Additions	Deductions	As at 31.03.2022
a. Land				
Land	870.36	-	-	870.36
b. BUILDING				
Factory Buildings	1,049.50	-	-	1,049.50
Other Buildings	300.68	-	-	300.68
c. PLANT & EQUIPMENT				
Water Works	4.31	-	-	4.31
Electrical Installations	3.72	-	-	3.72
Plant and Machinery	8,015.90	125.85	-	8,141.75
Inspection & Testing Equipments	180.85	2.53	-	183.38
Office Equipments	181.02	5.49	-	186.51
Air conditioners	16.28	0.38	-	16.66
Furniture & Fixtures	211.85	0.20	-	212.05
Canteen Equipments	0.32	-	-	0.32
Vehicles	96.57	-	38.22	58.35
Material Handling Equipments	27.31	-	-	27.31
Sub Total	10,958.67	134.45	38.22	11,054.90
d. CAPITAL WORK IN PROGRESS				
Capital Work in progress	300.93	360.13	-	661.06
Sub Total	300.93	360.13	-	661.06
INTANGIBLE ASSETS				
Software	102.36	-	-	102.36
Sub Total	102.36	-	-	102.36
Grand Total	11,361.96	494.58	38.22	11,818.32

Land includes Rs. 4.74 crores yet to be registered. TSIIC Land in Pashamylaram

Aging of Capital Work in Progress as on 31.03.22

Particulars	<1 Year	1 - 2 years	2 - 3 years	> 3 Years
A. Projects in progress				
1. Machinery	103.58	12.29	-	-
2. Building	256.55	-	-	161.98
Sub Total	360.13	12.29	-	161.98
B. Project temporarily suspended (Factory)				126.66
Sub Total	-	-	-	126.66
Total (A+B)	360.13	12.29	-	288.64

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022 (Figures in Rs Lakhs)

D E P R E C I A T I O N				N E T B L O C K	
Upto On Assets Value	For the period on Assets value	Deductions	Upto 31.03.2022	As at 31.03.2022	As at 31.03.2021
-	-	-	-	870.36	870.36
189.55	33.51	-	223.06	826.44	859.94
36.05	4.45	-	40.50	260.18	264.63
4.03	0.01	-	4.04	0.27	0.28
3.53	-	-	3.53	0.19	0.19
4,044.39	399.98	-	4,444.37	3,697.38	3,971.51
141.11	5.47	-	146.58	36.80	39.73
160.76	3.81	-	164.57	21.94	20.26
13.50	0.35	-	13.85	2.81	2.79
88.63	12.98	-	101.61	110.44	123.22
0.27	0.01	-	0.28	0.04	0.05
76.20	7.32	36.31	47.21	11.14	20.36
22.43	1.33	-	23.76	3.55	4.88
4,780.45	469.22	36.31	5,213.36	5,841.54	6,178.22
-	-	-	-	661.06	300.93
-	-	-	-	661.06	300.93
97.61	0.75	-	98.36	4.00	4.74
97.61	0.75	-	98.36	4.00	4.74
4,878.06	469.96	36.31	5,311.72	6,506.60	6,483.89
Total	Budgeted				
115.87	215.87				
418.53	1,388.79				
534.40	1,604.66				
126.66					
126.66					
661.06					

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022 (Figures in Rs Lakhs)

Particulars	AS AT 31-03-2022	AS AT 31-03-2021
NOTE NO 3		
OTHER FINANCIAL ASSET - NON CURRENT:		
a) Rental Deposits	40.78	40.78
b) Security Deposits Recoverable (Telephones, TSCPDCL & Telephones)	36.42	36.42
TOTAL	<u>77.20</u>	<u>77.20</u>
NOTE NO 4		
INVENTORIES:		
As valued and Certified by the Management	1,635.72	1,156.91
a) Raw Materials* (Valued at cost on weighted average method)		
b) Finished Goods (Valued at cost on weighted average method or realisable value which ever is less)	738.63	933.81
c) Stores & Spares (Valued at cost on weighted average method)	175.44	150.68
d) Work-in-Process (Valued at cost on weighted average method or realisable value which ever is less)	1,852.72	1,408.26
e) Jigs & Fixtures, Patterns and Tools & Implements	131.79	122.10
TOTAL	<u>4,534.30</u>	<u>3,771.76</u>
*Details of Raw materials:		
Steels	435.64	308.56
Castings	507.01	321.60
Components (Domestic)	499.36	388.84
Imported Material	193.71	137.91
TOTAL	<u>1,635.72</u>	<u>1,156.91</u>
NOTE NO 5		
TRADE RECEIVABLES:		
a. Trade receivables considered good - secured	-	-
b. Trade receivables considered good - unsecured	3,298.49	2,857.96
c. Trade receivables which have significant increase in credit risk	-	-
d. Trade receivables - credit impaired	-	-
TOTAL	<u>3,298.49</u>	<u>2,857.96</u>

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022 (Figures in Rs Lakhs)

OUTSTANDING FOR THE FOLLOWING PERIODS FROM DUE DATE OF PAYMENT

Period	Undisputed Trade receivable considered good	Undisputed trade receivables Credit impaired	Disputed trade receivables considered good	Disputed trade receivables Credit impaired	Total
As on 31.03.2022					
< 6months	3,030.47	-	-	-	3,030.47
6 months to 1 year	31.17	-	-	-	31.17
1 - 2 Years	27.94	-	-	-	27.94
2 - 3 Years	57.62	-	-	-	57.62
> 3 Years	56.84	48.84	45.61	-	151.29
TOTAL	3,204.04	48.84	45.61	-	3,298.49
As on 31.03.2021					
< 6months	2,480.09	-	-	-	2,480.09
6 months to 1 year	50.00	-	-	-	50.00
1 - 2 Years	92.21	-	-	-	92.21
2 - 3 Years	41.32	-	-	-	41.32
> 3 Years	98.68	50.04	45.61	-	194.33
TOTAL	2,762.31	50.04	45.61	-	2,857.96

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022 (Figures in Rs Lakhs)

Particulars	AS AT 31-03-2022	AS AT 31-03-2021
NOTE NO 6		
CASH AND CASH EQUIVALENTS:		
a) Balances With Scheduled Bank Accounts:		
In Current Accounts	24.06	815.64
b) Cash on Hand	0.02	0.30
c) Balance with Banks against Dividends payments	88.47	107.60
d) Balance With Banks as fixed deposits, LC's and BG's	47.81	51.59
TOTAL	<u>160.36</u>	<u>975.13</u>
NOTE NO 7		
OTHER BANK BALANCES - CURRENT:		
Bank Deposits with maturity period less than 12 months	4,379.67	3,554.01
TOTAL	<u>4,379.67</u>	<u>3,554.01</u>
NOTE NO 8		
Short Term Loans and Advances (Unsecured, considered good)		
Staff advances	10.42	11.97
TOTAL	<u>10.42</u>	<u>11.97</u>
NOTE NO 9		
OTHER FINANCIAL ASSETS - CURRENT :		
a) Security deposits recoverable	84.92	77.81
b) Interest Receivable	100.29	54.17
TOTAL	<u>185.21</u>	<u>131.98</u>
NOTE NO 10		
OTHER CURRENT ASSETS:		
a) Advance for Capital Purchase	432.94	5.05
b) Advance for purchase of Raw materials & Stores	181.85	172.42
c) Pre-paid Expenses	38.21	23.36
d) Vat Receivables	-	44.27
e) Claim Receivable (Vat)	194.06	149.79
f) G S T Receivable	104.51	478.04
g) Other Receivable	1.29	0.01
TOTAL	<u>952.86</u>	<u>872.94</u>

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022 (Figures in Rs Lakhs)
NOTE NO 11

SHARE CAPITAL:	AS AT 31-03-2022		AS AT 31-03-2021	
	Numbers	Rs.	Numbers	Rs.

A. AUTHORISED

Equity Shares of Rs 10/- each	30.00	300.00	30.00	300.00
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B. ISSUED, SUBSCRIBED AND PAID UP

Equity Shares of Rs 10/- each fully paid up	22.50	225.00	22.50	225.00
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C. Reconciliation of the shares out standing at the beginning and at the end of Year:

Particulars	No of Equity Shares Rs 10/-each		No of Equity Shares Rs 10/-each	
	As At 31-03-2022		As At 31-03-2021	
Equity Share Capital				
Shares outstanding at the beginning of the Year	22.50		22.50	
Shares issued during the Year	-		-	
Shares redeemed/bought back during the Year	-		-	
Shares outstanding at the end of the Year	22.50		22.50	

D. Details of Share Holders Holding more than 5% Shares in the company

Name of the Share Holder	As At		As At	
	31st March 2022		31st March 2021	
	No of Shares held	% of Holding	No of Shares held	% of Holding
Equity Shares				
V Chukkamamba	5.97	26.54	5.97	26.54
V C Janardan Rao	3.10	13.76	3.10	13.76
Veljan Investments Ltd	2.44	10.84	2.44	10.84
Veljan Hydrair Limited	1.70	7.55	1.70	7.55

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022 (Figures in Rs Lakhs)

E. Details of Shareholding of Promoters
Shares held by Promoters at the end of the year

Promoter Name	AS AT 31-03-2022 No. of Shares	% of total shares	% Change during the year
V Chukkamamba	5.97	26.54	-
V C Janardan Rao	3.10	13.76	-
Veljan Investments Ltd	2.44	10.84	-
Veljan Hydrair Limited	1.70	7.55	-
Umadevi Uppaluri	1.11	4.93	-
Sarojinidevi Kilaru	1.00	4.44	-
Lalithadevi Sanjay Jayavarthanavelu	0.98	4.36	-
Gangadhar Srinivas Velamati	0.48	2.12	-
Suxus Systems Ltd	0.07	0.29	-
JDM Hydropneumatics Limited	0.03	0.15	-
Total	16.87	74.98	-

Shares held by Promoters at the end of the year

Promoter Name	AS AT 31-03-2021 No. of Shares	% of total shares	% Change during the year
V Chukkamamba	5.97	26.54	-
V C Janardan Rao	3.10	13.76	-
Veljan Investments Ltd	2.44	10.84	-
Veljan Hydrair Limited	1.70	7.55	-
Umadevi Uppaluri	1.11	4.93	-
Sarojinidevi Kilaru	1.00	4.44	-
Lalithadevi Sanjay Jayavarthanavelu	0.98	4.36	-
Gangadhar Srinivas Velamati	0.48	2.12	-
Suxus Systems Ltd	0.07	0.29	-
JDM Hydropneumatics Limited	0.03	0.15	-
Total	16.87	74.98	-

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022 (Figures in Rs Lakhs)

Particulars	AS AT 31-03-2022	AS AT 31-03-2021
NOTE NO 12		
OTHER EQUITY:		
a. Security Premium		
At the beginning and at the end of the period	<u>45.00</u>	<u>45.00</u>
Closing Balance	<u>45.00</u>	<u>45.00</u>
b. Capital Redemption Reserve		
At the beginning and at the end of the period	<u>3.00</u>	<u>3.00</u>
Closing Balance	<u>3.00</u>	<u>3.00</u>
c. Investment Allowance Reserved Utilised		
At the beginning and at the end of the period	<u>12.80</u>	<u>12.80</u>
Closing Balance	<u>12.80</u>	<u>12.80</u>
d. General Reserve		
At the beginning of the period	<u>14,721.12</u>	<u>2,495.00</u>
Add: Current Year Transfer	<u>1,433.61</u>	<u>12,226.12</u>
Closing Balance	<u>16,154.73</u>	<u>14,721.12</u>
e. SURPLUS IN STATEMENT OF PROFIT & LOSS		
At the beginning of the period	<u>675.00</u>	<u>12,215.62</u>
Add: For the period	<u>1,687.71</u>	<u>685.50</u>
TOTAL SURPLUS	<u>2,362.71</u>	<u>12,901.12</u>
Less: Appropriations:		
Dividend on Equity Shares	<u>225.00</u>	<u>-</u>
Transfer to General Reserve	<u>1,433.61</u>	<u>12,226.12</u>
At the end of the period	<u>704.10</u>	<u>675.00</u>
TOTAL	<u>16,919.63</u>	<u>15,456.92</u>
NOTE NO 13		
BORROWINGS - NON CURRENT:		
Gratuity Provision	<u>-</u>	<u>0.15</u>
TOTAL	<u>-</u>	<u>0.15</u>
NOTE NO 14		
SHORT TERM BORROWING - REPAYABLE ON DEMAND SECURED:		
1. Working Capital Loans :		
a. Cash Credit From : Canara Bank	<u>686.07</u>	<u>816.53</u>
b. Cash Credit From : H D F C Bank Ltd	<u>-</u>	<u>147.36</u>
TOTAL	<u>686.07</u>	<u>963.89</u>

Working Capital Loans from banks are Canara Bank and HDFC Bank. The Loans are repayable on demand, which are secured on pari passu basis by hypothecation of Raw Materials, Work-in-Process, Finished Goods, Stores&spares and Book Debts and second charges on the fixed Assets of the Company. Further guaranteed by One Director of the company in the Capacity to the extent of Rs. 2,100 Lakhs.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022 (Figures in Rs Lakhs)

Particulars	AS AT 31-03-2022	AS AT 31-03-2021				
NOTE NO 15						
TRADE PAYABLES:						
Sundry creditors						
a. Total outstanding dues of Micro, Small and Medium Enterprises	61.09	7.02				
b. Other than Micro, Small & Medium Enterprises	1,025.52	953.76				
TOTAL	1,086.61	960.78				
15 a Trade payable aging Schedule						
Particulars	Unbilled dues	< 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
As on 31.03.2022						
i. MSME	-	61.09	-	-	-	61.09
ii. Others	-	1,013.39	6.59	0.70	4.85	1,025.52
iii. Disputed dues MSME	-	-	-	-	-	-
iv. Disputed dues others	-	-	-	-	-	-
TOTAL	-	1,074.48	6.59	0.70	4.85	1,086.61
As on 31.03.2021						
i. MSME	-	7.02	-	-	-	7.02
ii. Others	-	941.41	6.89	3.46	2.00	953.76
iii. Disputed dues MSME	-	-	-	-	-	-
iv. Disputed dues others	-	-	-	-	-	-
TOTAL	-	948.43	6.89	3.46	2.00	960.78
NOTE NO 16						
OTHER FINANCIAL LIABILITIES - CURRENT:						
a. Current Maturities of Long Term Borrowings	-	-				
b. Unclaimed Dividends	88.47	107.60				
c. Creditors for Capital Purchases	42.66	32.79				
d. Creditors - Expenses	564.49	446.43				
TOTAL	695.62	586.82				
NOTE NO 17						
OTHER CURRENT LIABILITIES:						
a. Advance from Customers	66.35	69.20				
b. Statutory Liabilities	194.57	213.24				
c. Employees benefit payable	3.57	8.44				
TOTAL	264.49	290.88				

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022 (Figures in Rs Lakhs)

Particulars	Year Ended 31-03-2022	Year Ended 31-03-2021
NOTE NO 18		
REVENUE FROM OPERATIONS :		
Sale of Products		
Pumps, Motors, Valves & Spares	9,729.88	7,335.79
Power Packs & Spares	27.82	7.08
Scrap Sales	27.63	14.00
TOTAL	<u>9,785.33</u>	<u>7,356.87</u>
NOTE NO 19		
OTHER INCOME :		
A. INTEREST INCOME ON		
a. Margin Money Deposits	193.31	173.10
B. OTHER NON - OPERATING INCOME		
a. Miscellaneous receipts	0.03	0.03
b. Excess provision written back	45.37	5.95
c. Credit Balances written Back	7.93	2.05
TOTAL	<u>246.64</u>	<u>181.13</u>
NOTE NO 20		
COST OF MATERIALS CONSUMED* :		
Opening Stock	1,156.91	1,268.21
Add: Purchases	4,098.55	2,797.42
	5,255.46	4,065.63
Less Closing stock	1,635.72	1,156.91
TOTAL	<u>3,619.74</u>	<u>2,908.72</u>
Imported and Indigeneous Raw material Consumed		
Imported	223.08	230.57
% of Consumption	6.16	7.93
Indigeneous	3,396.66	2,678.15
% of Consumption	93.84	92.07
TOTAL	<u>3,619.74</u>	<u>2,908.72</u>
*Details of Material Consumed		
Steels Consumed	380.09	332.54
Castings Consumed	1,434.06	1,015.68
Components Consumed	1,582.51	1,329.93
Imported Material Consumed	223.08	230.57
TOTAL	<u>3,619.74</u>	<u>2,908.72</u>

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022 (Figures in Rs Lakhs)

Particulars	Year Ended 31-03-2022	Year Ended 31-03-2021
NOTE NO 21		
CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN PROCESS:		
Opening Inventory		
Finished Goods	933.81	851.77
Work-in-process	1,408.27	1,396.17
TOTAL	<u><u>2,342.08</u></u>	<u><u>2,247.94</u></u>
Closing Inventory		
Finished Goods	738.63	933.81
Work-in-process	1,852.72	1,408.27
TOTAL	<u><u>2,591.35</u></u>	<u><u>2,342.08</u></u>
(Increase) / Decrease in Stock	(249.27)	(94.14)
NOTE NO 22		
EMPLOYEE BENEFITS EXPENSE:		
a. Salaries , Wages and Bonus	723.48	622.28
b. Contribution to Provident Fund	36.71	32.22
c. Workmen & Staff Welfare Expenses	45.53	17.31
d. Group Gratuity & Deposit Linked Insurance	13.66	10.22
e. Contribution to Employee State Insurance	8.10	5.96
f. Superannuation Premium	-	1.80
TOTAL	<u><u>827.48</u></u>	<u><u>689.79</u></u>
NOTE NO 23		
FINANCE COST:		
Interest on Borrowings	6.79	28.25
Other Borrowing Cost	16.26	13.85
TOTAL	<u><u>23.05</u></u>	<u><u>42.10</u></u>
NOTE NO 24		
DEPRECIATION & AMORTISATION EXPENSE:		
a. Depreciation on Property, Plant & Equipment	469.21	458.26
b. Amortisation of Intangible Assets	0.74	2.30
TOTAL	<u><u>469.95</u></u>	<u><u>460.56</u></u>

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022 (Figures in Rs Lakhs)

Particulars	Year Ended 31-03-2022	Year Ended 31-03-2021
NOTE NO 25		
OTHER EXPENSES:		
Job Expenses	1,532.67	1,241.73
Stores Consumed	416.21	339.13
Packing Material Consumed	148.20	89.12
Carriage Inward	13.59	52.13
Power and Fuel	160.26	130.06
Repairs & Maintenance		
Building	4.64	1.83
Plant and Machinery	119.87	47.44
Others	69.38	50.01
Tools & Dies written off	15.02	14.03
Rent	58.65	56.74
Licenses and Taxes	18.97	6.67
Insurance	27.53	23.01
Printing & Stationery	10.93	8.84
Postage & Telephones	5.18	5.24
Travelling & Conveyance	25.91	7.45
Foreign Travelling Expenses	7.66	-
Vehicle Maintenance	4.63	4.94
Professional & Legal Charges	28.19	38.99
Remuneration to Directors	113.08	52.02
Selling & Distribution Expenses	14.26	13.62
Advertisement	2.71	1.08
Remuneration to Auditors:		
For Audit Fee	4.50	4.50
For Tax Audit Fee	1.50	1.50
Sitting fee to Directors	3.75	4.20
Donations	8.18	160.74
C S R Expenses	62.36	45.84
General Expenses	73.76	79.68
Bad Debts Written Off	68.51	21.01
Bad Advances Written off	-	5.62
TOTAL	<u>3,020.10</u>	<u>2,507.17</u>

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022 (Figures in Rs Lakhs)
NOTE NO 26
1. RECONCILIATION OF TAX EXPENSES AND ACCOUNTING PROFIT MULTIPLIED BY TAX RATE
INCOME TAX:

Particulars	Year Ended 31-03-2022	Year Ended 31-03-2021
Amount recognized in statement of Profit and Loss account		
Current Tax	571.47	229.72
Mat credit Entitlement	-	-
Deferred tax expenses (income)- Relating to organization and reversal of temporary differences	-	-
	33.16	4.37
Tax expenses for the year	604.63	234.09
Reconciliation of effective tax rate		
Profit before tax -	2,320.92	896.66
Enacted tax in india - 25.17%	571.47	229.72
others	61.74	(18.56)
	633.21	211.16
Effective tax rate	27.28	23.55

NOTE NO 27**2. DEFERRED TAX LIABILITIES (NET):**

Particulars	AS AT 31-03-2022	AS AT 31-03-2021
Property, Plant and Equipment	323.95	290.79
Total	323.95	290.79

Movement in deferred tax liabilities

Particulars	Property Plant & Equipment	Other Items	AS AT 31-03-2021
As at March 31, 2021	290.79	-	286.42
Charges / credited			
For the year (2021-2022)	33.16	-	4.37
As at March 31,2022	323.95	-	290.79

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022 (Figures in Rs Lakhs)
NOTE NO 28**FAIR VALUE MEASUREMENT HIERARCHY:**

Valuation techniques with significant unobservable inputs:

This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The following table provide the fair value measurement hierarchy of the company's assets and liabilities.

Quantitative disclosures of fair value measurement hierarchy as at March 31, 2022

Particulars	Fair Value hierarchy (level)	As at 31-03-2022	As at 31-03-2021
Financial Asset measured at amortized cost			
Loans to employees	3	10.42	11.97
Security Deposits	3	40.78	40.78

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022 (Figures in Rs Lakhs)**NOTE NO 29****FINANCIAL RISK MANAGEMENT:**

The Company's activities expose it to market risk, credit risk and liquidity risk. Company's overall risk management focus on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

I Market Risk:

Market risk is the risk of loss of the future earnings, fair values or future cash flows that may result from a change in the price of a financial instruments. The value of a financial instrument may change as a result of changes in the interest rates. Foreign currency exchange rates, commodity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including instruments and deposits, foreign currency receivables, payables and borrowings.

II Commodity Risk:

Commodity price risk arises due to fluctuation in raw material (fifer prices) linked to various external factors, which can affect the production cost of the Company. The Company actively manages inventory and in many cases sale prices are linked to major raw material prices. These risks are reviewed and managed by senior management on continuous basis.

III Credit Risk:

Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk its operating activities (primarily trade receivables) and from its financing / investing activities including deposits with banks. The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. The company is receiving payments regularly from its customers and hence the Company has no significant credit risk.

IV Liquidity Risk:

Liquidity risk is defined as the risk that the company will not be able to settle or meet obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts based on expected cash flows.

V. Technology Risk:

The Company operates in a highly technical field with constant innovation and continuous evolution in technologies used. The company mitigates this risk through regular contact with customers, regular reviews of new technological trends, continuous improvement and investment in its manufacturing practices, along with investments in research, design, and development.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022 (Figures in Rs Lakhs)

**NOTE NO 30
FOREX TRANSACTIONS**

Particulars	Year ended 31-03-2022	Year ended 31-03-2021
a. Expenditure in Foreign Currency during the year on account of:		
Foreigh travel	4.14	-
	4.14	-
b. Value of Imports calculated on CIF basis inrespect of :		
Raw material & Components	313.35	255.84
Maintenance	11.20	5.09
Cutting Tools	-	4.84
Advance Capital Goods & others	90.95	-
	415.50	265.77

NOTE NO 31
CAPITAL MANAGEMENT:

The Company's objectives when managing capital are to

1. Safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and the benefits for other stakeholders
2. Maintain an optimal capital structure to reduce the cost of Capital consistent with others in industry. The company monitors capital on the basis of the following gearing ratio:

Debt/to equity ratio

Particulars	As AT 31-03-2022	As AT 31-03-2021
Debt	686.07	963.89
Equity	17,144.63	15,681.92
Debt to equity ratio	0.04	0.06

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022 (Figures in Rs Lakhs)
NOTE NO 32**CORPORATE SOCIAL RESPONSIBILITY:**

As per section 135 of the Company Act 2013, a company has to spend 2% of its average net profits of three immediate preceding financial year as detailed below.

particulars	Year Ended 31-03-2022	Year Ended 31-03-2021
Gross amount required to be spent by the company during the year	34.01	43.73
Less: Amount spent during the year	62.36	45.84
(Excess)/Short spent	(28.35)	(2.11)

NOTE NO 33**CONTINGENT LIABILITIES:**

particulars	As at 31-03-2022	As at 31-03-2021
a. The Company has following contingent liabilities		
Bank		
Guarantees and Letters of credit issued by bank to the extent of	-	49.13

NOTE NO 34

Commitments

Capital Commitment

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities as follows:

Building, Plant and Equipment	1,747.04	-
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NOTE NO 35

Disclosure relating to Gratuity Liability as per AS 15 Employee Benefits (revised 2005) as per actuation as on 31/03/2022 given by LIC of India and recognized in to the financial statement in respect to employee Gratuity Benefit Scheme.

1. Changes in Present Value of obligations as on 31/03/2022

Particulars	Year Ended 31-03-2022	Year Ended 31-03-2021
Present Value of obligations at the beginning of the year	101.69	89.40
Interest Cost	7.12	6.26
Current Service Cost	11.25	10.46
Benefits paid	(5.87)	(0.64)
Present Value of Obligation at the end of the year	(9.62)	(3.79)
Changes in the fair value of Plan Assets as on 31/03/2022	104.57	101.69
Particulars	Year Ended 31-03-2022	Year Ended 31-03-2021
Fair Value of plan assets at the beginning of the year	119.85	103.80
Actual return on plan assets	8.35	7.76
Contributions	0.64	8.93
Benefits paid	(5.87)	(0.64)
Actuarial (gain)/loss on plan assets	-	-
Fair value of plan assets as at the end of Year	122.97	119.85

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022 (Figures in Rs Lakhs)

NOTE NO 36

EARNINGS PER EQUITY SHARE:

Particulars	Year Ended 31-03-2022	Year Ended 31-03-2021
a. Total Comprehensive Income for the period	1687.71	685.50
b. Weighted average number of equity shares of Rs10/- each	22.50	22.50
Earning per Equity Share (Basic and Diluted) (a) / (b)	<u>75.01</u>	<u>30.47</u>

NOTE NO 37

ANALYTICAL RATIOS:

S.No.	Ratio	Period	Nume rator	Denom inator	As at 31-03-2022	As at 31-03-2021	% of Variance	Reason for Variance
1.	Current Ratio	2022	13,618	2,733	4.98			
		2021	12,214	2,802		4.36	14.33	
2.	Debt-Equity Ratio	2022	686	17,145	0.04			Variance is primarily on account of the debts decreased and increase of the shareholders equity
		2021	964	15,682		0.06	(35.00)	
3.	Debt Service Coverage Ratio	2022	-	-	-			Not applicable because there are no long term loans
		2021	-	-		-	-	
4.	Return on Equity Ratio	2022	1,688	16,413	0.10			Variance primarily on account of increase in revenue and decrease in previous year due to covid pandemic
		2021	686	15,339		0.04	130.00	
5.	Inventory Turnover Ratio	2022	3,370	4,153	0.81			
		2021	2,815	3,764		0.75	8.55	
6.	Trade Receivables Turnover Ratio	2022	9,785	3,078	3.18			Variance primarily on account of increase in net credit sales along with decrease in average trade receivables.
		2021	7,357	3,260		2.26	40.85	
7.	Trade Payables Turnover Ratio	2022	4,099	1,024	4.00			Variance primarily on account of increase in net credit purchases.
		2021	2,797	992		2.82	41.97	
8.	Net Capital Turnover Ratio	2022	9,785	10,885	0.90			
		2021	7,357	9,412		0.78	15.01	
9.	Net Profit Ratio	2022	1,688	9,785	0.17			Variance primarily on account of increase of profit.
		2021	686	7,357		0.09	85.10	
10.	Return on Capital Employed Ratio	2022	2,344	18,151	0.13			Variance primarily on account of increase of profit.
		2021	939	16,932		0.06	132.92	
11.	Return on Investment Ratio	2022	-	-	-			There were no investments
		2021	-	-		-	-	

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022 (Figures in Rs Lakhs)**NOTE NO 38****TITLE DEEDS OF IMMOVABLE PROPERTIES:**

The title deeds of all the immovable properties, as disclosed in note no.2 to the financial statements, are held in the name of the Company.

NOTE NO 39**VALUATION OF PROPERTY PLANT & EQUIPMENT, INTANGIBLE ASSET:**

The Company has not revalued its property, plant and equipment or intangible assets or both during the current year.

NOTE NO 40**LOANS OR ADVANCES TO SPECIFIED PERSONS:**

No loans or advances in the nature of loans are granted to Promoters, Directors, Key Management Personnels and the related parties (as defined under Companies Act, 1913) either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.

NOTE NO 41**DETAILS OF BENAMI PROPERTY HELD:**

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

NOTE NO 42**BORROWING SECURED AGAINST CURRENT ASSETS:**

The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.

NOTE NO 43**WILFUL DEFAULTER:**

The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

NOTE NO 44**RELATIONSHIP WITH STRUCK OFF COMPANIES:**

The Company has no transactions with the Companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956

NOTE NO 45**REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES (ROC):**

The Company do not have any charges to be registered as at March 31, 2022 with the Registrar of Companies (ROC). However, as per the records available on the ROC portal, the below charges which were created by the Company in earlier years for borrowings availed are still appearing as unsatisfied. The Company is in the process of obtaining no-dues certificates/ other relevant documents from the respective lenders for taking the required action.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022 (Figures in Rs Lakhs)

Charge holder name	Amount	Charge holder name	Amount
The Industrial Credit and Investment Corporation of India Ltd	10.00	The industrial credit and investment corporation of India Ltd	5.00
Syndicate Bank	2.00	Syndicate Bank	2.00
The Industrial Credit and Investment Corporation of India Ltd	9.00	The Industrial Credit and Investment Corporation of India Ltd	37.50
Syndicate Bank	2.00	Syndicate Bank	24.00
Syndicate Bank	25.00	A.P. State financial Corporation	37.50
A.P. State financial Corporation	5.06	Andhra Bank	147.06
A.P. State financial Corporation	377.50	HDFC Bank Limited	1,290.00

NOTE NO 46**COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES:**

The Company has complied with the number of layers prescribed under the Section 2 (87) of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017.

NOTE NO 47**COMPLIANCE WITH APPROVED SCHEME(S) OF ARRANGEMENTS:**

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

NOTE NO 48**UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM:**

No funds 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 entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE NO 49**UNDISCLOSED INCOME:**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded previously in the books of account.

NOTE NO 50**DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY:**

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

NOTE NO 51**UTILISATION OF BORROWINGS AVAILED FROM BANKS AND FINANCIAL INSTITUTIONS:**

The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022 (Figures in Rs Lakhs)

NOTE NO 52

Disclosure of Related Party Transaction (As per Ind AS)

Key Management Personnel (KMP)

Sri V C Janardan Rao	Chairman & Managing Director
Sri U Sri Krishna	Executive Director & Chief Executive Officer
Sri B Narahari	Company Secretary
Sri G Subba Rao	C F O

Directors

Sri B S Srinivasan	Independent and Non-Executive Director
Smt. U Uma Devi	Promoter and Non-Executive Director
Sri G Narayana Rao	Independent and Non-Executive Director
Sri A Suresh	Independent and Non-Executive Director

Companies/firms in which the key management and their relations are interested

1. M/s. Veljan Hydrair Ltd	-	Common Control
2. M/s. Veljan Investments Ltd	-	Common Control
3. M/s Suxus Systems Ltd	-	Common Control
4. M/s JDM Hydro Pnuematics Ltd	-	Common Control
5. M/s. Ecmat Limited	-	Common Control

A Transactions during the Year

Particulars	Key Management Personnel		Directors		Enterprises in Which the Key Management personnel and their relatives are interested	
	Year Ended 31-03-2022	Year Ended 31-03-2021	Year Ended 31-03-2022	Year Ended 31-03-2021	Year Ended 31-03-2022	Year Ended 31-03-2021
Remuneration	39.84	49.04				
Commission	48.82	5.65	24.41	9.58		
SALES:						
Veljan Hydrair Limited					4,817.96	3,071.21
PURCHASES:						
Veljan Hydrair Limited					64.60	210.36
Suxus Systems Limited					1,478.39	1,197.15
RENT:						
Veljan Investments Limited					60.83	60.83
JOB EXPENSES:						
Ecmat Limited					1,604.97	1,420.97
SALES						
Ecmat Limited					0.29	0.30
Suxus Systems Limited					-	0.57
B. Balance as at 31.03.2022						
Payables	51.26	8.88	24.41	9.58	437.22	374.21
Receivable					1,890.55	1,193.65

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022 (Figures in Rs Lakhs)
NOTE NO 53**DUE TO MICRO, SMALL & MEDIUM ENTERPRISES:**

The micro, Small and Medium Enterprises have been identified on the basis of the information available with the Company.

Particulars	As at 31-03-2022	As at 31-03-2021
(a) The principle amount remaining unpaid as at the end of the year	61.09	7.02
(b) The amount of interest accrued and remaining unpaid at the end of the year	–	–
(c) Amount of the interest paid by the Company in terms of section 16, of (MSMED Act, 2006) along with the amounts of payments made beyond the appointed date during the year.	–	–
(d) Amount of interest due and payable for the period of delay in making payment without the interest specified under the (MSMED Act, 2006).	–	–
(e) The amount of further interest remaining due and payable in the succeeding years, until such data when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the (MSMED Act, 2006).	–	–

NOTE NO 54**BALANCES OF TRADE RECEIVABLE/PAYABLE ARE SUBJECT TO CONFIRMATION:**

Pervious Year's figures have been regrouped wherever necessary to correspond with the current year's figures, except when otherwise stated, the figures are presented in Rupees in Lakhs.

As Per our report of even date
for K S RAO & CO.,
Chartered Accountants
Firm regn No 003109S

M NAGA PRASADU
Partner
Membership No 231388

V C JANARDAN RAO
Chairman & Managing Director
DIN: 00181609

U. UMA DEVI
Director
DIN: 00125840

Place: Hyderabad
Date : 30-05-2022

B NARAHARI
Company Secretary

G. SUBBA RAO
C F O

**VELJAN DENISON LIMITED
(CIN: L29119TG1973PLC001670)**

**Registered Office: Plot No.44, 4th Floor, HCL Towers, Chikoti Gardens,
Begumpet, Hyderabad - 500 016, Telangana
Tel: 91 040 27764546, Fax: 91 040 27765253
Email: comp_secy@veljan.in Website: www.veljan.in**

ATTENDANCE SLIP

48th Annual General Meeting

I hereby state that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the Annual General Meeting of the Company held on Friday, the 30th day of September, 2022 at 11.30 a.m. at Plot No. A18 & 19, APIE, Balanagar, Hyderabad - 500 037, Telangana, India, or/any adjournment thereof.

Name of the attending Shareholder:.....
(in block letters)

Name of the Proxy:.....
(to be filled in if proxy attends)

Signature of Shareholder:.....

Signature of Proxy:.....

Registered Folio Number: or DP / Client ID No.

Number of Shares held:

Note:

1. Shareholders/proxy holders are requested to bring the Attendance Slips with them duly completed when they come to the meeting and hand them over at the entrance, affixing their signature on them.
2. Members are informed that no duplicate attendance slips will be issued at the venue of the meeting.

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VELJAN DENISON LIMITED

(CIN: L29119TG1973PLC001670)

Registered Office: Plot No.44, 4th Floor, HCL Towers, Chikoti Gardens,
 Begumpet, Hyderabad - 500 016, Telangana, Tel: 91 040 27764546, Fax: 91 040 27765253
 Email: comp_secy@veljan.in Website: www.veljan.in

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies
 (Management and Administration) Rules, 2014)

Name of the Shareholder(s):
 Address of the Shareholder(s):
 E-mail Id:..... Folio No. / DP id & Client id:.....

I/We being the member(s) of Shares of Veljan Denison Limited, 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:..... or failing him:

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 48th Annual General Meeting of the Company on Friday, the 30th day of September, 2022 at 11.30 a.m. at Plot No. A 18 & 19, APIE, Balanagar, Hyderabad - 500 037, Telangana, India, or/any adjournment thereof in respect of such resolutions as per attachment enclosed.

Ordinary Business:

1. To receive, consider and adopt the Financial Statements for the year ended 31st March, 2022 and the Reports of the Directors' and the Auditors' thereon.
2. To declare a dividend of Rs. 13/- per equity share of Rs. 10/- each of the Company for the financial year ended on March 31, 2022.
3. To elect and appoint a Director in place of Mr. U. Sri Krishna (DIN: 008880274), who retires by rotation and being eligible, offers himself for re-appointment.
4. Appointment of Statutory Auditors and fix their Remuneration.

Special Business:

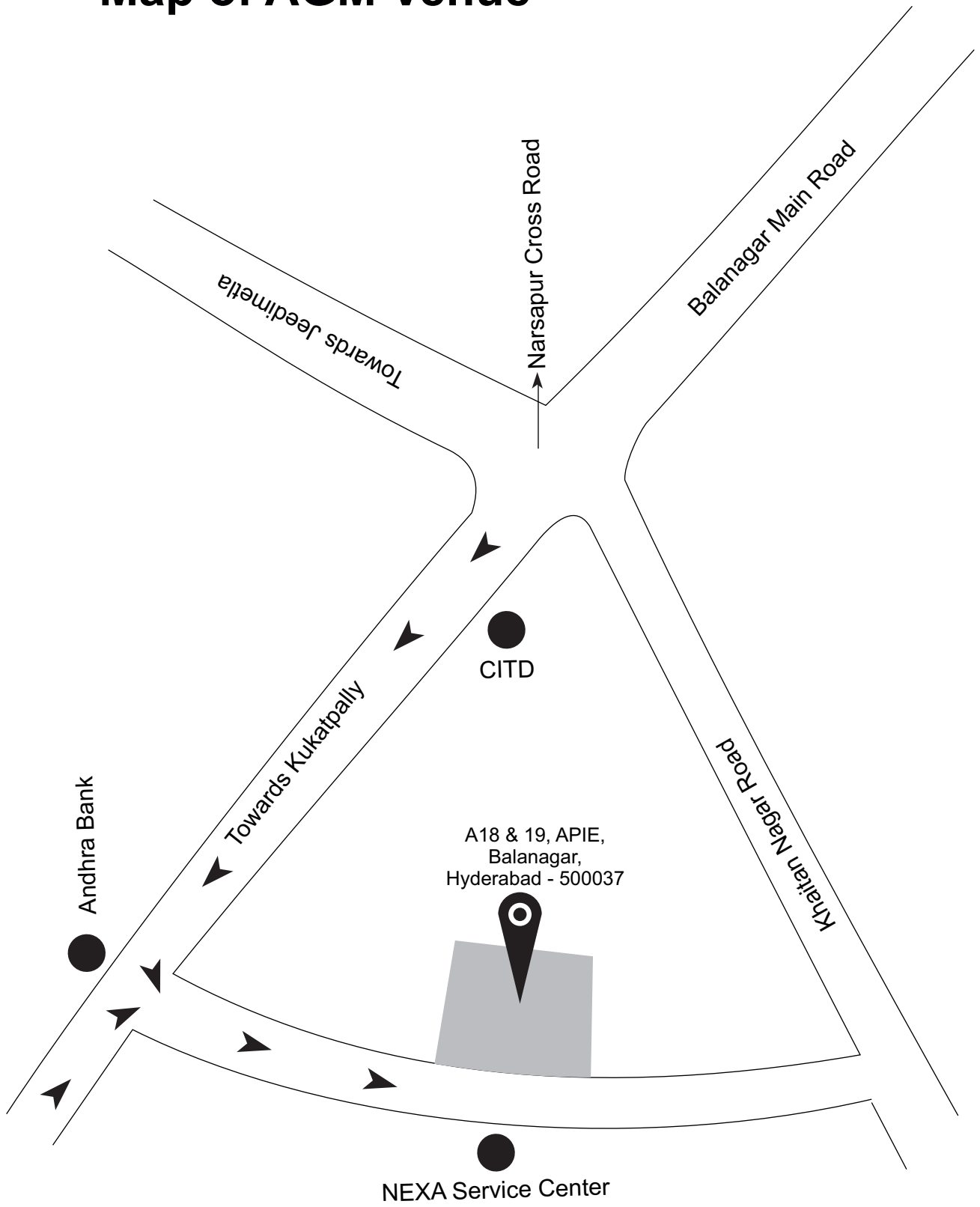
5. Appointment of Dr. A. Suresh (DIN: 06931014), as Independent Director of the Company.
6. Approval of revision of Remuneration payable to Mr. U. Sri Krishna, whole time Director of the Company.
7. Approval of Material Related Party Transactions

Signed this.....day of2022 (Affix Revenue Stamp)

Signature of Shareholder.....Signature of Proxy holder(s).....

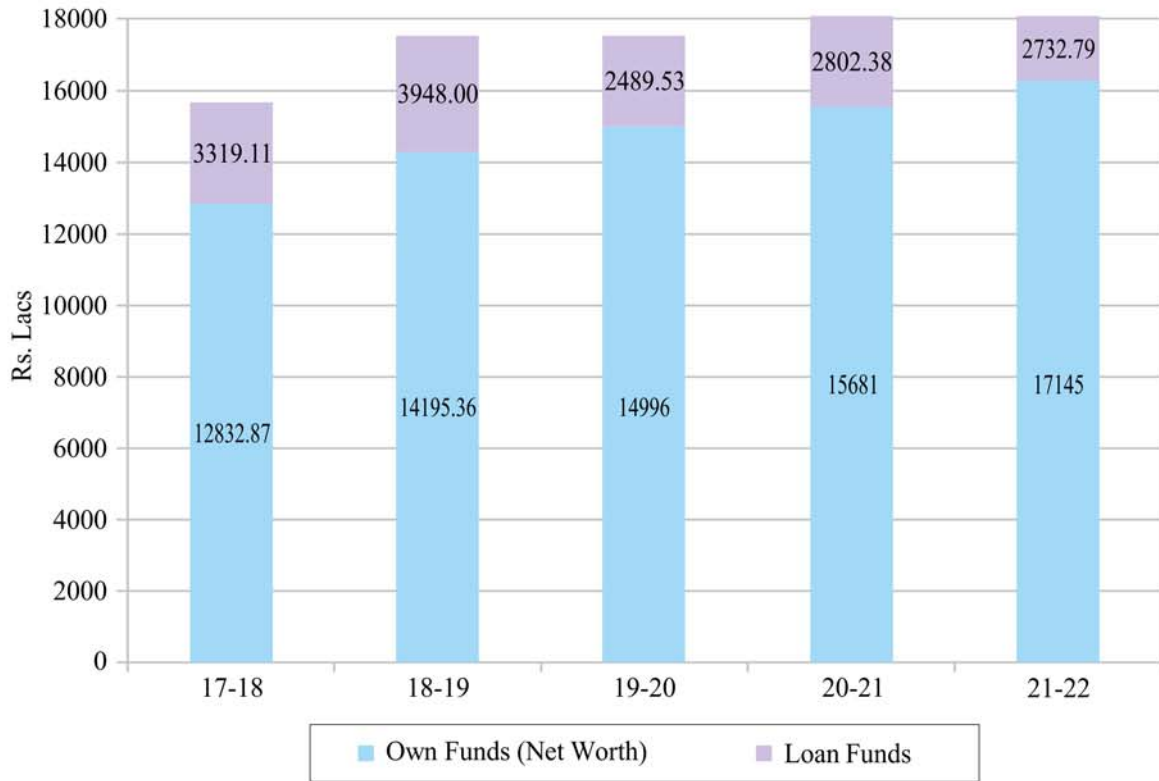
Note: The proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.

Map of AGM Venue

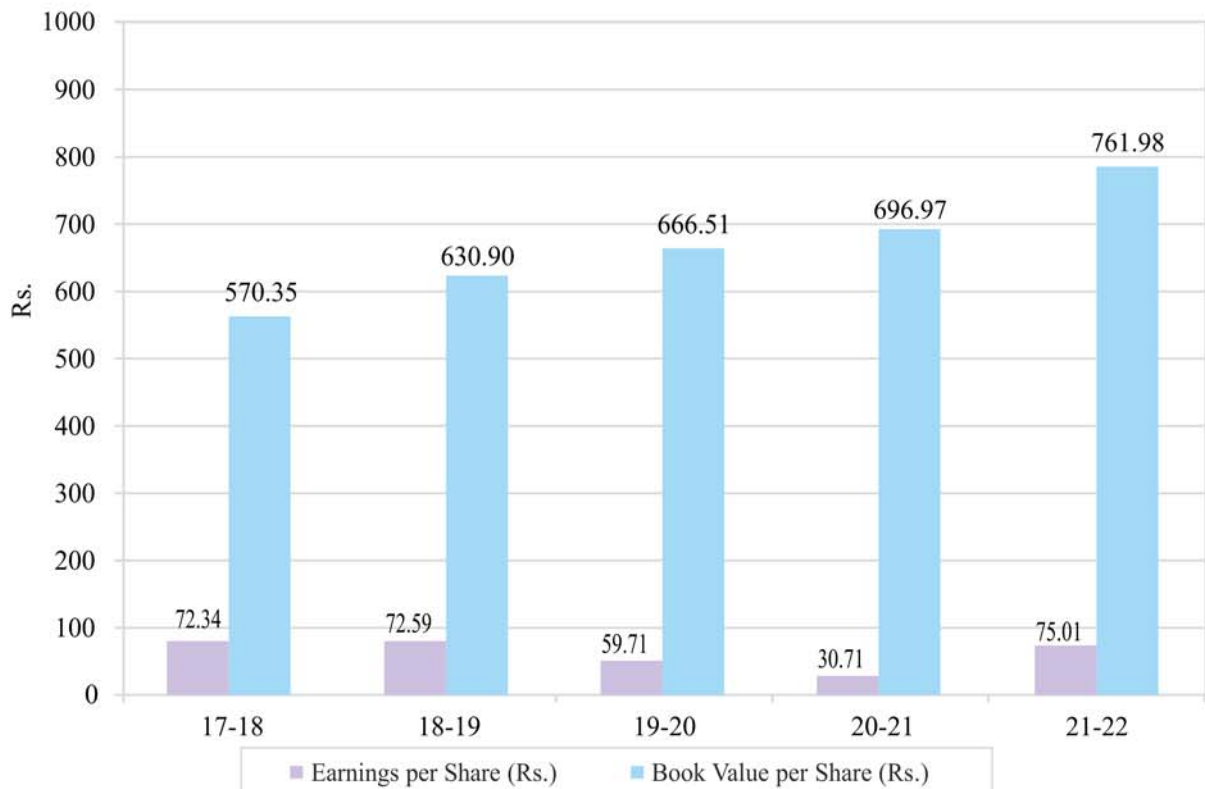


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CAPITAL EMPLOYED



EARNINGS PER SHARE & BOOK VALUE



A bright sun is rising in the center of the frame, casting a glow over a grid floor that recedes into the distance. The sky is a clear, light blue. The sun is a large, bright yellow circle with rays emanating from it, creating a lens flare effect. The grid floor is composed of thin white lines that form a perspective view, leading the eye towards the horizon where the sun is positioned.

VELJAN DENISON LIMITED

Registered Office : Plot No. 44, 4th Floor, HCL Towers, Chikoti Gardens, Begumpet, Hyderabad - 500016, Telangana, India.

Factory : Plot No. 10A, Phase - 1, IDA, Patancheru, Sangareddy (Dist) - 502 319, Telangana, India.