

# **Value Industries Limited**

**Annual Report 2016-17**



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Bhujang S. Kakade  
Mr. Avinash H. Malpani  
Mr. Naveen B. Mandhana  
Mrs. Gayathri R. Girish

### REGISTERED OFFICE

14 K.M. Stone, Aurangabad-Paithan Road,  
Village: Chittegaon, Taluka: Paithan,  
District: Aurangabad – 431 105 (Maharashtra)

### AUDITORS

#### **Khandelwal Jain & Co.**

Chartered Accountants  
12-B, Baldota Bhavan,  
117, Maharshi Karve Road,  
Opp. Churchgate Railway Station,  
Mumbai – 400 020

#### **Kadam & Co.**

Chartered Accountants  
“Vedant” 8/9 Viraj Estate,  
Opp. Tarakpur Bus Stand,  
Ahmednagar – 414 003

### MANUFACTURING FACILITY

15 K.M. Stone, Aurangabad-Paithan Road,  
Village: Chittegaon, Taluka: Paithan,  
District: Aurangabad – 431 105 (Maharashtra)

### BANKERS

Indian Bank  
Allahabad Bank  
Axis Bank Limited  
Bank of Baroda  
Bank of India  
IDBI Bank Limited  
Punjab National Bank  
State Bank of Bikaner & Jaipur  
State Bank of India  
The Federal Bank Limited  
UCO Bank

### COMPANY SECRETARY

Mr. Sumit S. Mishra

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## NOTICE

**NOTICE** is hereby given that the Twenty-Ninth Annual General Meeting of the Members of **VALUE INDUSTRIES LIMITED** (the "Company") will be held on Friday, 29th September, 2017, at the Registered Office of the Company at 14 K. M. Stone, Aurangabad - Paithan Road, Village: Chittegaon, Taluka: Paithan, District: Aurangabad - 431 105 (Maharashtra) at 2:00 p.m. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the financial year ended on 31st March, 2017 and the Audited Balance Sheet as at that date together with the Cash Flow Statement, Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Gayathri R. Girish (DIN: 07145426), who retires by rotation and, being eligible, offers herself for re-appointment.
3. To appoint Statutory Auditors of the Company and to fix their remuneration and in this regard to consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and on the recommendation of the Audit Committee and the Board of Directors, M/s. S. Z. Deshmukh & Co., Chartered Accountants, Mumbai (Firm Registration No. 102380W), be and are hereby appointed as Auditors of the Company, in place of the retiring auditors M/s. Khandelwal Jain & Co., Chartered Accountants, Mumbai (Firm Registration No. 105049W) and M/s. Kadam & Co., Chartered Accountants, Ahmednagar (Firm Registration No. 104524W), to hold office from the conclusion of this Annual General Meeting ('AGM') i.e. the 29th AGM till the conclusion of the 34th AGM, subject to ratification of appointment by the shareholders at every AGM held after this AGM, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.

**RESOLVED FURTHER THAT** the Board of Directors (including any Committee thereof) be and are hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

### SPECIAL BUSINESS:

4. To consider and ratify the Remuneration of Cost Auditors and in this regard to consider and if, thought fit, to pass the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), as amended from time to time, the Company hereby ratifies the remuneration of ₹ 75,000/- (Rupees Seventy Five Thousand) excluding service tax and other taxes, travelling and other out-of-pocket expenses payable to Mr. Jayant B. Galande (Membership No. 5255), Cost Accountant in Whole-time Practice, Aurangabad, who is appointed by the Board of Directors as Cost Auditor of the Company to conduct cost audits relating to cost records of the Company under the Companies (Cost Records and Audit) Rules, 2014 for the year commencing on 1st April, 2017.

**RESOLVED FURTHER THAT** the Board of Directors (including any Committee thereof) be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

By order of the Board of Directors of  
**VALUE INDUSTRIES LIMITED**

**SUMIT MISHRA**  
**COMPANY SECRETARY**  
**ACS 39561**

Place : Mumbai  
Date : 1<sup>st</sup> September, 2017  
**Registered Office:**  
14 K.M. Stone, Aurangabad-Paithan Road,  
Village: Chittegaon, Taluka: Paithan,  
District: Aurangabad – 431 105 (Maharashtra)  
**CIN:** L99999MH1988PLC046445  
**E-mail id:** secretarial\_value@videoconmail.com  
**Website:** www.valueind.in  
**Tel.No. :** +91-2431-251555 / 661471  
**Fax. No. :** +91-2431-251571

### NOTES :

1. **IN TERMS OF THE PROVISIONS OF SECTION 105 OF THE COMPANIES ACT, 2013, READ WITH RULE 19 OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PERSON CAN BE A PROXY FOR MEMBERS NOT EXCEEDING 50 (FIFTY) AND HOLDING IN AN AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. PROVIDED THAT A MEMBER HOLDING MORE THAN TEN PERCENT, OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. A PROXY FORM FOR THE MEETING IS ENCLOSED.**
2. In terms of the provisions of Section 102 of the Companies Act, 2013 and Secretarial Standard 2 issued by The Institute of Company Secretaries of India, a statement setting out the material facts concerning special business to be transacted at the Meeting is annexed and forms part of this Notice.
3. Copies of the Notice of 29th Annual General Meeting together with the Annual Report are being sent by electronic mode to all the Members whose email addresses are registered with the Company/Depository Participant(s) and for Members who have not registered their email addresses, physical copies of the Annual Report are being sent by the permitted mode, to those Members who hold shares in physical form and whose names appear in the Company's Register of Members on Friday, 18th August, 2017 and as regards shares held in the electronic form, to those beneficial owners of the shares as at the close of business hours on Thursday, 17th August, 2017 as per the particulars of beneficial owners furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Upon request, printed copy of Annual Report will be supplied to those Members to whom Annual Report has been sent through electronic mode.
4. Corporate Members intending to send their Authorised Representative(s) to attend the Meeting are requested to send a certified copy of the Board

- Resolution authorizing such representative(s) to attend and vote on their behalf at the Meeting.
5. For convenience of the Members and for proper conduct of the Meeting, entry to the place of Meeting will be regulated by attendance slip, which is annexed to the Annual Report. Members are requested to sign at the place provided on the attendance slip and hand it over at the entrance of the venue.
  6. In case of joint holders attending the Meeting and who have not exercised their right to vote by remote e-voting facility, only such joint holder, who is higher in the order of names, shall be entitled to vote by ballot.
  7. Details under Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India in respect of Director(s) seeking re-appointment at this Annual General Meeting is appended to the Notice.
  8. The Register of Members and Share Transfer Books shall remain closed from Friday, 22nd September, 2017 to Friday, 29th September, 2017 (both days inclusive) for the purpose of the Meeting.
  9. Members, who hold shares in dematerialized form, are requested to write their Client ID and Depository Participant ID and those who hold shares in physical form are requested to write their Folio Number on the Attendance Slip and bring their Attendance Slip, as enclosed, along with their copy of Annual Report to the Meeting.
  10. The business set out in this Notice is also being conducted through e-voting. Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer the remote e-voting facility to the Members to cast their votes electronically on all resolutions set forth in this Notice as an alternate for physically casting the vote at the meeting. The detailed instructions for remote e-voting are given hereinafter. Please note that the Voting through Electronic Mode is optional. For this purpose the Company has entered into an agreement with CDSL for facilitating e-voting to enable the shareholders to cast their votes electronically. The Company is also providing facility for voting by Ballot at the Meeting apart from providing remote e-voting facility for all those Members who are present at the Meeting but have not casted their votes by availing the remote e-voting facility.
  11. The remote e-voting facility shall be opened from Tuesday, 26th September, 2017 at 9.00 a.m. to Thursday, 28th September, 2017 till 5.00 p.m. both days inclusive. Detailed instructions of Voting through Electronic Mode, forms part of this Notice. The remote e-voting facility shall not be allowed beyond 5.00 p.m. on Thursday, 28th September, 2017. During the period when facility for remote e-voting is provided, the members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date/entitlement date, may opt for remote e-voting. Provided that once the vote on a resolution is casted by the member, he shall not be allowed to change it subsequently or cast the vote again.
  12. The Notice of the Meeting is being placed on the website of the Company viz., [www.valueind.in](http://www.valueind.in) and also on the website of CDSL viz., [www.cdslindia.com](http://www.cdslindia.com).
  13. Mr. Sagar Ramrao Deo, Company Secretary in Whole-Time Practice (CP No. 11547) or failing him Mr. Soumitra Mujumdar, Company Secretary in Whole-Time Practice (CP No. 12363) has been appointed as a Scrutinizer for conducting the voting by ballot at the Meeting and remote e-voting process in a fair and transparent manner.
  14. The Scrutinizer shall, immediately after the conclusion of voting at the Meeting, first count the votes casted by Ballot at the Meeting, thereafter unblock the votes casted through remote e-voting in the manner provided in the Rules and make, not later than 3 days of conclusion of the Meeting, consolidated Scrutinizer's Report of remote e-voting and voting by Ballot at the Meeting, of the total votes casted in favour or against, if any, to the Chairman of the Meeting and the Chairman or a person as may be authorized by him in writing shall declare the result of the voting forthwith and all the resolutions as mentioned in the Notice of the Meeting shall be deemed to be passed on the date of the Meeting. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company at [www.valueind.in](http://www.valueind.in) and on the website of CDSL at [www.cdslindia.com](http://www.cdslindia.com), immediately after the results are declared by the Chairman.
  15. The resolutions placed for e-voting shall be deemed to be passed on the date of the Annual General Meeting of Members scheduled to be held on Friday, 29th September, 2017.
  16. The Company has fixed Friday, 22nd September, 2017 as the cut-off date/entitlement date for identifying the Shareholders for determining the eligibility to vote by electronic means or in the Meeting by Ballot. Instructions for exercising voting rights by remote e-voting are attached herewith and forms part of this Notice. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off/entitlement date only shall be entitled to avail the facility of remote e-voting as well as voting at the Annual General Meeting.
  17. Any person who becomes a member of the Company after the date of this Notice of the Meeting and holding shares as on the cut-off date i.e., Friday, 22nd September, 2017 may obtain the User ID and Password by sending an email request to [secretarial\\_value@videconmail.com](mailto:secretarial_value@videconmail.com). Members may send a request to the Company Secretary, by writing to him at Value Industries Limited at 14 K.M. Stone, Aurangabad-Paithan Road, Village: Chittegaon, Taluka: Paithan, District: Aurangabad - 431 105 (Maharashtra).
  18. The Voting Rights will be reckoned on the paid-up value of shares registered in the name of Shareholders on the cut-off date/entitlement date for identifying the Shareholders entitled to participate through Voting through Electronic Mode or in the Meeting by Ballot.
  19. The Company has transferred the unclaimed dividend for the financial year 2008-09 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Dividend for the financial year ended 2009-10 and thereafter, which remain unclaimed for a period of seven years will be transferred to the IEPF. Members who have not encashed dividend warrant(s)/instrument(s) for the said years are requested to contact MCS Share Transfer Agent Limited, Registrar and Share Transfer Agent of the Company, for seeking issue of duplicate warrant(s). Members are requested to note that upon transfer, no claims shall lie against the Company or the IEPF in respect of any amounts which remained unclaimed and unpaid for a period of seven years from the dates they first became due for payment and no payment shall be made in respect of any such claims. The details of the unclaimed dividend of the aforesaid years are available on the Company's website [www.valueind.in](http://www.valueind.in) and Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in).
  20. Members who hold shares in physical form, under multiple folios, in identical names or joint accounts in the same order or names, are requested to send the share certificates to MCS Share Transfer Agent Limited, Registrar and Transfer Agent of the Company, for consolidation into a single folio.
  21. Members holding shares in physical form are requested to kindly notify any change in their address(es) to the Company, so as to enable the Company to address future communications to their correct address(es). Members holding shares in electronic form are requested to notify any change in their address(es) to their respective Depository Participant(s).
  22. Non-Resident Indian Members are requested to inform MCS Share Transfer Agent Limited, the Registrar and Share Transfer Agent of the Company, immediately of change in their residential status on return to India for permanent settlement together with the particulars of their Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank with Pin Code Number, if not furnished earlier.

23. The equity shares of the Company are compulsorily tradable in electronic form and your Company has established connectivity with both the depositories i.e. NSDL and CDSL. Taking into consideration the enormous advantages offered by the Depository System, Members are requested to avail the facility of dematerialization of the Company's shares on either of the depositories, as aforesaid.
24. The Annual Report of the Company as circulated to the Members of the Company will be made available on the Company's website at [www.valueind.in](http://www.valueind.in)
25. The relevant documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company on all working days (except Friday) between 12.00 noon to 3.00 p.m. upto the date of the Meeting.
26. Members desiring any information as regards to the Financial Statements/ Directors' Report are requested to write to the Company at an early date so as to enable the Management to reply at the Meeting.
27. Members may address their queries / communications at [secretarial\\_value@videoconmail.com](mailto:secretarial_value@videoconmail.com).
28. Members are requested to kindly bring their copy of the Annual Report to the Meeting.
29. **Green Initiative:** Securities & Exchange Board of India & the Ministry of Corporate affairs encourages paperless communication as a contribution to greener environment. E-mail communications to the shareholders will result in multiple benefits as under:-

- 1) Timely receipt of all communications without any transit loss.
- 2) Helping in protecting environment and conservation of resources.
- 3) Easy storage in soft copy, thereby eliminating the requirement of storage of bulky documents for subsequent reference.

The Company will simultaneously display full text of the Annual report and other shareholders' communications on its website viz., [www.valueind.in](http://www.valueind.in), as soon as the same is e-mailed to the shareholders and will also be made available for inspection at the Registered Office of the Company during the office hours.

Members holding shares in physical mode are requested to register their e-mail ID's with the MCS Share Transfer Agent Limited, the Registrar and Transfer Agent of the Company and Members holding shares in demat mode are requested to register their e-mail ID's with their respective Depository Participants (DPs) in case the same is still not registered. If there is any change in the e-mail ID already registered with the Company, Members are requested to immediately notify such change to the Registrar and Transfer Agent of the Company in respect of shares held in physical form and to their respective Depository Participants in respect of shares held in electronic form.

## REMOTE E-VOTING INSTRUCTIONS:

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Tuesday, 26th September, 2017 at 9:00 a.m. and ends on Thursday, 28th September, 2017 at 5.00 p.m. both days inclusive. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, 22nd September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders / Members
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
<b>PAN</b>	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for **VALUE INDUSTRIES LIMITED** on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed login password then



Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

(xxi) Any person who becomes a member of the Company after the date of this Notice of the Meeting and holding shares as on the cut-off date i.e., Friday, 22nd September, 2017 may obtain the User ID and Password from Mr. Sumit Mishra, Company Secretary of the Company, who is responsible to address the grievances connected with facility for voting by electronics means. In case you have any grievances connected with facility for voting by electronics means you may contact the Company Secretary by sending an email to [secretarial\\_value@videoconmail.com](mailto:secretarial_value@videoconmail.com). Members may also call on +91-2431-251555/661471 or send a request to the Company Secretary, by writing to him at Value Industries Limited at 14 K. M. Stone, Aurangabad Paithan Road, Village Chittegaon, Tal. Paithan, Dist. Aurangabad – 431 105, Maharashtra.

By order of the Board of Directors of  
**VALUE INDUSTRIES LIMITED**

**SUMIT MISHRA**  
**COMPANY SECRETARY**  
**ACS 39561**

Place : Mumbai  
Date : 1<sup>st</sup> September, 2017

## A STATEMENT SETTING OUT THE MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 4

The Board of Directors of the Company, on the recommendation of the Audit Committee, have approved the appointment of Mr. Jayant B. Galande (Membership No. 5255), Cost Accountant in Whole-Time Practice, Aurangabad, as the Cost Auditor of the Company to conduct the audit of the cost accounting records of the Company for the financial year commencing from 1st April, 2017. The Board of Directors of the Company, on the recommendation of the Audit Committee, have decided to pay a remuneration of ₹ 75,000/- (Rupees Seventy Five Thousand Only) excluding service tax and other taxes, travelling and other out-of-pocket expenses at actual to Mr. Jayant B. Galande, for the financial year commencing

from 1st April, 2017. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies Audit & Auditors) Rules, 2014, the remuneration payable to the Cost Auditor shall be fixed by the Board of Directors of the Company on recommendation of the Audit Committee and the same shall be subsequently ratified by the shareholders of the Company at a general body meeting.

Accordingly, the Board recommends the passing of the Ordinary Resolution as set out in Item No. 4 of the accompanying Notice for approval of the Members of the Company.

None of the Directors and the Key Managerial Personnel of the Company and their respective relatives is concerned or interested in the passing of the above resolution.

By order of the Board of Directors of  
**VALUE INDUSTRIES LIMITED**

**SUMIT MISHRA**  
**COMPANY SECRETARY**  
**ACS 39561**

Place : Mumbai  
Date : 1<sup>st</sup> September, 2017

### BRIEF PROFILE OF THE DIRECTORS SEEKING RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING (PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

Particulars	Profile of the Director
Name of the Director	Mrs. Gayathri R. Girish
DIN	07145426
Date of Birth	1st December, 1978
Educational Qualification	Commerce Graduate, Associate Member of Institute of Company Secretaries of India
Age (in years)	38
Date of appointment on the Board	31st March, 2015
Category of the Director	Professional- Non Executive
Area of Expertise / Senior Position Held / Work Experience	She carries with her, rich experience in the field of Company Law and Secretarial Practice
Terms and Conditions of Appointment or Re-appointment along with the details of remuneration sought to be paid	Reappointment as a Professional Non Executive Director, liable to retire by rotation.
Remuneration last drawn, if applicable	Nil. Only sitting fees is paid.
Details of Directorships in other Public Limited Companies (including subsidiaries of Public Company)	Nil
Names of the other Committees in which Chairman	Nil
Names of the other Committees in which Member	Nil
No. of shares held	Nil
Relationships between Directors, Key Managerial Personnel and Managers of the Company.	Nil
Number of Board Meetings attended	1 (One)

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors take pleasure in presenting the Twenty-Ninth Annual Report together with the Audited Financial Statements and Auditors' Report for the financial year ended on 31st March, 2017.

### PERFORMANCE REVIEW

The performance of the Company, for the financial year ended on 31st March, 2017, is summarized below:

(₹ in Million)

Particulars	Year ended 31st March, 2017	15 Months ended 31st March, 2016
Net Revenue from Operations	11,364.92	19,091.97
Other Income	41.48	95.33
Total Income	11,406.40	19,187.30
Profit Before Finance Costs, Depreciation and Tax	825.20	1,799.08
Finance Costs	979.85	1,199.06
Depreciation and Amortization	695.23	990.58
Profit/(Loss) Before Tax	(849.88)	(390.56)
Profit/(Loss) for the Year/ Period	(590.08)	(333.86)

The previous financial period comprised of 15 months commencing from 1st January, 2015 to 31st March, 2016 and the current financial year is for a period of 12 months commencing from 1st April, 2016 to 31st March, 2017. Hence, the figures are not comparable.

### CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of business of the Company during the year under review.

### DIVIDEND

In view of the loss incurred by the Company, the Board of Directors do not recommend any dividend for the financial year ended on 31st March, 2017.

### TRANSFER TO RESERVES

The Company do not propose to transfer any amount to any reserve.

### TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

The Company has transferred a sum of ₹ 1.98 million in respect of unpaid / unclaimed dividend for the Financial Year 2008-09 to the Investor Education and Protection Fund.

### DEPOSITS

Your Company has not accepted any Deposit within the meaning of Chapter V of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 and, as such, no amount of principal or interest was outstanding as on the Balance Sheet date.

### MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY, OCCURRING AFTER THE BALANCE SHEET DATE AND AS AT THE DATE OF SIGNING THIS REPORT

No material changes and commitments affecting the financial position of the Company occurred after the Balance Sheet date and as at the date of signing this report.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of loans, guarantees given and investments made during the year as required are provided in Notes 13 and 33 of the Financial Statements.

### PARTICULARS OF CONTRACTS OR ARRANGEMENTS AS PER SECTION 188(1)

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of the transactions with Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.

The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's weblink at <http://www.valueind.in/image/value/Value%20Related%20Party%20Transaction%20Policy.pdf>

### SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any subsidiary, joint venture or associate.

### COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION (SECTION 178)

The Company has in place the Nomination and Remuneration Committee. The Company has also formulated the Nomination and Remuneration Policy on directors' appointment and remuneration including the criteria for determining qualifications, positive attributes and independence of directors. The other details form part of the Corporate Governance Report.

### EMPLOYEES REMUNERATION

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the Boards' Report include a statement showing the names of top ten employees and employees who draw remuneration in excess of the limits prescribed under the said Rules. The information as per Rule 5(1) & 5(2), forms part of this Report. However, as per first proviso to section 136(1) of the Act, the Report and Financial Statements are being sent to the Members of the Company excluding the statement of particulars under Rule 5(1) & 5(2). Any Member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company.

### CONSERVATION OF ENERGY

"Energy saved is energy generated." Your Company strives for sustainable consumption of natural resources. The thrust of your Company's strategy is to save energy through application of various efficiency measures. During the year, the efforts of your Company maneuvered to innovation and improvement so as to further reduce energy consumption. A novel concept nomenclatured as "Resource Productivity" was coined by the management of your Company as a golden means to attain optimum utilization of available resources, especially renewable resources. Implementation of the said concept has led to improvement in over-all efficiency. The same was implemented at the manufacturing facility. Better controls are planned to achieve further reduction in energy consumption. The manufacturing facility of the Company is equipped with hi-tech energy monitoring and conservation systems to monitor usage, minimize wastage and increase overall efficiency at every stage of power consumption. Some of the measures being undertaken by the Company in its endeavor to conserve energy are enumerated hereunder:

- Energy auditing at the manufacturing unit;
- Improvement in power factors by installation of Capacitors;
- Use of advanced technology at manufacturing plant in the form of energy efficient equipments;
- Use of unconventional energy sources like solar energy in the form of solar water heater plant;
- Timely maintenance of machinery and equipments;
- On-the-job and off-the-job training for employees at all levels;
- Use of energy saving lighting arrangement in shop floor and on roads inside the Manufacturing facility by using Electronics Ballast and CFL lamps;
- Reduction in power consumption;
- Display of Notice Boards and Information Boards at all work stations for information and awareness of the employees;
- Awareness programmes towards optimum utilization of natural resources; and
- Plantation of trees at the manufacturing units.

Adhering to above measures has assisted Company to reduce its total energy consumption and thus reduce its carbon footprint. Your Company endeavors to continue on the path of Energy Conservation and contribute towards building of a Greener Environment.

#### RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

Technology and Research & Development (R&D) go hand in hand. Your Company firmly believes that a sound R&D programme is a forte of every flourishing organisation and a well-planned R&D acts as a catalyst to foster innovation and enhance the interfaces in both, conventional and emerging technological arenas. Accordingly, an in-house R&D team comprising of skilled engineers/experts in varied fields has been formed to keep pace with the rapid technological changes in the industry.

Your Company is determined to develop its own technologies in select areas besides being an efficient user and innovator of available technologies. R&D and technology development are integral to your Company's innovation agenda for achieving growth, business profitability, sustainability and rural transformation.

The main thrust of the Company's R&D activities is upon strengthening of the current portfolio of products, looking for new concepts and product platforms, development of new technological platforms to support the consumer needs more effectively and introduction of a number of novel technologies in Consumer Electronics & Home Appliances. R&D work is in progress in the areas of basic technology, manufacturing skills, performance, quality, design and standardization.

The Company's customer-oriented performance is backed by R&D activities. The Company has reinforced activities in advanced digital technology to deliver smart products which simplify life.

R & D activities carried out in various Consumer Electronics and benefits derived from these activities:

1. In Direct Cool refrigerators, the BEE energy norms were upgraded further by 40% and to maintain the 5 Star Rating, we had to implement the Refrigerant R600a in place of R134a which is more efficient.
2. Changes in the Product cooling system and upgraded Electrical parts from safety point of view for the Entire range of direct cool refrigerators, enhancing the perceived quality with product cost leadership.
3. Revamped range of Digi Pearl series from 6.2 kg to 7.0 kg Fully Automatic Washing Machines with Sparkle effect and chrome decorative for High end models having multiple wash selection option, lesser water consumption and higher performance.

4. Revamped and improved Digi Garcia series of Fully Automatic Washing Machines with vibrant colors and aesthetically superior looks, water saver function, multiple wash selection option, lesser water consumption and higher performance.
5. Various cost innovation projects are taken up to reduce cost and improve profitability in all categories of products.
6. Special projects to understand the customers voice which would generate features for the upcoming products.

#### Future plan of action:

The Company continues to focus on environment friendly products, introduce and adopt the principle of "Green Technology". Innovation and modernization of sophisticated technology will help the Company in setting itself apart from its counterparts. The Company shall garner its strength towards minimizing cost and maximizing profit thereby emerging as a market leader in the domestic market. The Company has the following plans through R&D:

1. Across the refrigerators range, we will be working on Cost Innovation projects through new design and ideas.
2. Introduction of modern Front Loading, Top loading Fully Automatic and Semi-Automatic washing machines which are convenient for use providing excellent wash performance with modern designs and customer friendly features.
3. Energy and water efficient designs catering to environment benefits and value for money for our customers.

During the period under review, the Company has incurred ₹ 8.82 Million representing 0.08% of the turnover towards recurring R&D expenses.

#### FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars of Foreign Exchange Earnings and Outgo during the financial year ended on 31st March, 2017 are set out hereunder:

(₹ in Million)

Particulars	Year ended 31st March, 2017	Period ended 31st March, 2016
Foreign Exchange Earnings	58.49	103.75
Foreign Exchange Outgo	1,297.15	2,168.94

#### RISK MANAGEMENT POLICY OF THE COMPANY

The Company's approach to risk management is three-fold i.e; market risk, credit risk and liquidity risk. The Company has identified the risk elements and manages, monitors and reports on the risk elements and uncertainties that could prove to be a hindrance in achieving its strategic and financial business objectives. The Company has proper confidentialities and privacy policies to control risk elements. The Company has, wherever required, taken insurance policies to protect the property, assets etc.

Risk management and control forms an integral part of the business planning and review cycle. The Company's Risk Management Policy is designed and formulated in such a manner so as to provide reasonable assurance that objectives are met by complying with all the applicable provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has formed Risk Management Committee. The scope and composition of the Committee has been elaborated in the Corporate Governance Report. The Company has set up a core group of leadership team which includes the members of the Risk Management Committee and the senior management personnel who review the Risk Management Policy periodically and discuss and mitigate the identified risks from time to time.



## CORPORATE SOCIAL RESPONSIBILITY POLICY

At Value Industries Limited, we see an incredible opportunity to drive positive change for all our stakeholders. By making every aspect of our business sustainable, we re-affirm our commitment to a better world. From our employees, to the communities which we are a part of, we want to conduct our business consciously and responsibly. In everything we do, we ensure that we grow to do good for society.

CSR includes core elements of CSR activities such as ethical functioning, respect for all stakeholders, protection of human rights and care for the environment. We believe that success is interlinked with the well-being of all sections of the society and equal opportunity be given to all the sections of the society. The most important responsibility is to fulfil the expectations of our stakeholders and to continuously improve our social, environmental and economical performance while ensuring the sustainability and operational success of our Company.

The Company has formed a CSR Committee in terms of the provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder read with Schedule VII of the Act. The scope and composition of the Committee forms part of the Corporate Governance Report.

Further, since the average net profit for the three immediately preceding financial years was negative, the Company has not made any CSR expenditure.

## HEALTH, SAFETY AND ENVIRONMENT MEASURES

'Safety of persons overrides all Production targets' – bearing this safety motto in mind, every business issue in the Company is discussed and every solution complies with the safety policy of your Company. The management of the Company believes that the employees are the heart and soul of the organization and hence, considers health and safety of its employees as its prime responsibility. The health and safety platform of the Company is well supported by the safety management team which comprises of employee and management representatives.

The team studies a plethora of health, safety and environment related issues at manufacturing plant and reports the observations along with requisite correctives measures, if any, to the management for necessary action. The Company arranges for and takes various measures to prevent occurrence of accidents on job.

The health and safety initiatives adopted by the Company include:

- Conduct of safety audits.
- Accessibility of health and medical services to all employees through well equipped health centres at all manufacturing facilities.
- Medical camps, at regular intervals, to ensure fitness of its employees.
- Availability of ambulance, in case of emergency.
- On-the-job and off-the-job training programmes at regular intervals for upgradation of employees on awareness front.
- Display of evacuation plans at various locations to reach assembly point.
- Display of cautionary boards, notice boards and information boards at work stations for information and awareness of the employees.
- Close monitoring of health and safety activities to ensure maintenance of adequate standards.

Further, your Company is committed to sustainable development, for meeting the needs of the present without jeopardizing the welfare of future generations. The Company's business strategies consciously factor environment conservation as a major principle. The Company is continuously looking for new ways to preserve the environment and manage resources responsibly.

For your Company, economic, social and environmental responsibilities forms an integral part of its business. The eco-friendly initiatives adopted by the Company includes:

- Setting new targets for energy efficiency.
- Reducing the use of natural resources.

- Promoting the use of alternative fuels and materials.
- Re-engineering the processes and products to reduce energy consumption.
- Tree-plantation campaigns.
- Awareness programmes for employees at all levels.

The Company adopt clean technologies and processes that combine both economic progress and sustainable environment.

## INFORMATION TECHNOLOGY

Information Technology and business are becoming inextricably interwoven. Nobody can meaningfully talk about one without talking about the other. Indeed, the growing influence of Information Technology as an enabler of business in today's time has made use of Information Technology indispensable. Information Technology, having made inroads into major industries, has left no aspect of our business and life untouched. Your Company firmly believes that an organization needs to have a 'digital nervous system' for sustaining the cut-throat competition for the 'Numero Uno' position in any sector of economy. In due recognition of the key role played by Information Technology in revolutionizing the world, your Company has re-engineered its processes by leveraging Information Technology with an eye to building, sustaining and expanding its competitive edge.

Your Company has in place SAP Systems which has enabled us to leverage the benefits of integration in business operations, optimization of enterprise resources, standardized business processes thereby enabling standard operating practices with well established controls. This has enabled the Company to adopt best and standardized business processes across the functions. It has also benefited the management at all levels with business information which is on-line and reliable to control the business operations in a well-informed manner.

## DISCLOSURE AS REQUIRED UNDER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company is committed towards providing a healthy environment and thus does not tolerate any discrimination and/or harassment in any form. The Company has in place a Internal Complaints Committee to *inter-alia*:

- 1) Prevent sexual harassment at the workplace; and
- 2) Redress the complaints in this regards.

During the period under review, the Company did not receive any complaint.

## DETAILS OF DIRECTORS/KEY MANAGERIAL PERSONNEL APPOINTED/RESIGNED DURING THE YEAR

During the period under review, pursuant to the provisions of second proviso to Section 149(1) of the Companies Act, 2013 and the Rules made thereunder and in terms of the Articles of Association of the Company, Mrs. Gayathri R. Girish (DIN: 07145426), was re-appointed as Non Executive Director (Professional), liable to retire by rotation, of the Company w.e.f. 26th September 2016.

Pursuant to the provisions of Section 168 of the Companies Act, 2013, Mr. Subhash Dayama resigned from the Board of Directors of the Company w.e.f. 14th May, 2016. The Board takes this opportunity to place on record its sincere appreciation for the services rendered by him.

Mr. Bhujang S. Kakade was appointed as an Additional Director (Non-Executive, Independent) on the Board of the Company at the meeting held on 30th May, 2016. Consequently, Mr. Bhujang S. Kakade has been appointed as a Non-Executive, Independent Director on 26th September, 2016.

In terms of the provisions of Section 152 of the Companies Act, 2013, Mrs. Gayathri R. Girish (DIN: 07145426), is liable to retire by rotation and, being eligible, offers

herself for re-appointment. The Board proposes re-appointment of Mrs. Gayathri R. Girish, as a Non-executive Director at the ensuing Annual General Meeting.

**Details of Key Managerial Personnel:**

The Company Secretary of the Company, Ms. Anagha Joshi resigned from the Company with effect from 30th November, 2016. The Board on the recommendation of the Nomination and Remuneration Committee has appointed Mr. Sumit Mishra, as the Company Secretary of the Company w.e.f 29th December, 2016.

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**DECLARATION GIVEN BY INDEPENDENT DIRECTORS**

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The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 and the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") stating that they meet the criteria of independence as provided therein.

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**NUMBER OF MEETINGS OF THE BOARD HELD DURING THE YEAR**

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During the financial year under review, the Board met 5 (five) times. The details regarding the attendance and the date of Board Meetings are provided in the Corporate Governance Report.

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**COMMITTEES OF THE BOARD**

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Pursuant to the provisions of the Companies Act, 2013 and provisions of the Listing Regulations, the Company has constituted following Committees:

1. Audit Committee.
2. Nomination and Remuneration Committee.
3. Stakeholders' Relationship Committee.
4. Corporate Social Responsibility Committee.
5. Risk Management Committee.
6. Finance and General Affairs Committee.

The composition, scope and powers of the aforementioned Committees together with details of meetings held during the period under review, forms part of Corporate Governance Report.

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**FORMAL ANNUAL EVALUATION**

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Pursuant to the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, 2015, the Board has carried out an annual evaluation of its own performance, and that of its Committees and individual directors. The exercise was carried out through a evaluation process covering aspects such as composition of the Board, experience, competencies, governance issues etc.

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**LISTING**

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The equity shares of your Company are listed on the BSE Limited (Formerly: the Bombay Stock Exchange Limited) and The National Stock Exchange of India Limited (NSE).

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**CORPORATE GOVERNANCE**

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The Company has complied with the corporate governance requirements under the Companies Act, 2013, and as stipulated under the Listing Regulations. A separate section on Corporate Governance under the Listing Regulations, along with a certificate from the auditors confirming the compliance, is annexed and forms part of this Annual Report.

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**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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In accordance with the Listing Regulations, the Management Discussion and Analysis Report forms part of this report.

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**CASH FLOW STATEMENT**

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The Cash Flow Statement for the financial year ended 31st March, 2017, in conformity with the Accounting Standard 3 (AS-3) and provisions of Companies Act, 2013 and Listing Regulations, is annexed hereto.

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**AUDITORS AND THEIR REPORTS**

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**1. STATUTORY AUDITORS AND AUDIT REPORT:**

The Members of the Company at the 28th Annual General Meeting held on 26th September, 2016 had ratified the appointment of M/s. Khandelwal Jain & Co., Chartered Accountants, (Firm Registration No. 105049W), Mumbai, and M/s. Kadam & Co., Chartered Accountants, (Firm Registration No. 104524W), Ahmednagar from the conclusion of 28th Annual General Meeting until the conclusion of this, i.e. 29th Annual General Meeting of the Company.

As per the provisions of Section 139 of the Act, no listed Company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement. The current tenure of M/s. Khandelwal Jain & Co., and M/s. Kadam & Co., will be completed at this Annual General Meeting ('AGM') and in view of the above, they are not eligible for re-appointment, pursuant to the provisions of Section 139 of the Act.

The Company has received a written consent and certificate from M/s. S. Z. Deshmukh & Co., Chartered Accountants (Firm Registration No. 102380W), Mumbai, confirming that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

The Board of Directors has, on the recommendation of the Audit Committee, proposed the appointment of M/s. S. Z. Deshmukh & Co., (Firm Registration No. 102380W) as the Statutory Auditors of the Company for a period of 5 years, to hold office from the conclusion of this AGM i.e. the 29th AGM until the conclusion of 34th AGM, subject to ratification of their appointment at every AGM.

**AUDIT REPORT:**

The Auditors' Report is unqualified. The observations made in the Auditors' Report, read together with the relevant notes thereon, are self explanatory and therefore, do not call for any further clarification.

**2. COST AUDITOR AND COST AUDIT REPORT:**

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014 and amendments made thereto; from time to time, the Board of Directors of the Company have accorded its approval for appointment of Mr. Jayant B. Galande, Cost Accountant in Whole-Time Practice, Aurangabad (Membership Number 5255) as the Cost Auditor of the Company, to conduct audit of Cost Accounting Records maintained by the Company for the financial year commencing on 1st April, 2017 in respect of products covered under 'Other Machinery'.

In compliance with the provisions, the remuneration payable to the Cost Auditor has to be ratified by the members of the Company. Accordingly, consent of the Members is sought by way of an Ordinary Resolution for ratification of the remuneration amounting to ₹ 75,000/- (Rupees Seventy Five Thousand Only) plus applicable service tax and out of pocket expenses payable to the Cost Auditor for the financial year commencing on 1st April, 2017.

In terms of notification dated 31st December, 2014, issued by the Ministry of Corporate Affairs, the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records & Audit) Rules, 2014, relating to the appointment of Cost Auditor and the requirement of filing Cost Audit Report for the financial year commencing on 1st January, 2015 and ending on 31st March, 2016, were not applicable to the Company. Accordingly, the Company was not required to file the Cost Audit Report for the financial year commencing on 1st January, 2015.

In compliance with the provisions of the Act, the Company will file Cost Audit Report for the financial year ended on 31st March, 2017, on or before 27th September, 2017, being the due date.

### 3. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT:

The Board had appointed Mr. Soumitra B. Mujumdar, Company Secretary in Whole-time Practice (CP No. 12363), to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year ended on 31st March, 2017. The report of the Secretarial Auditor is annexed to this report as Annexure 1.

In connection, with the auditor's observation in the report, it is clarified that:

- i. The Company is in process of identifying the suitable candidate for the post of Managing Director, Chief Executive Officer or Manager or in their absence Whole-time Director and CFO.
- ii. The Company is in process of filing the Return of Foreign Assets and Liabilities.
- iii. Due to technical difficulties the Company has delayed in filing of some of the e-Forms with the Registrar of Companies during the Audit Period.

#### DETAILS OF FRAUDS REPORTED BY AUDITORS (OTHER THAN REPORTABLE TO CENTRAL GOVERNMENT)

No fraud / misconduct detected at the time of statutory audit by Auditors of the Company for the financial year ended on 31st March, 2017.

#### ADEQUACY OF INTERNAL FINANCIAL CONTROLS

A good internal control system facilitates proper governance in an organization. The internal control system of the Company works on a system of 'checks and balances'. The Company's internal control systems are commensurate with the nature of its business, the size and complexity of its operations which are routinely tested and certified by Statutory Auditors. The Company reviews the system through an independent perspective and looks for corrective action.

The internal control system is supplemented by regular internal audits, regular reviews by management and policies to ensure reliability of financial and all other records to prepare financial statements, constitution of cost control committees, etc. These controls have been designed to provide a reasonable degree of certainty with regard to maintenance of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations and for ensuring reliability of financial reporting. The Company strives to adopt globally recognized practices in this regard.

#### EXTRACT OF ANNUAL RETURN

The extract of Annual Return pursuant to the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is annexed herewith as Annexure 2.

#### ORDERS PASSED BY REGULATORS/COURTS/ TRIBUNALS

No material orders were passed by Regulators/ Courts / Tribunals during the period affecting the going concern status and Company's operations in future.

#### DIRECTOR RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts on a going concern basis;
- e. the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### ACKNOWLEDGEMENT

The Board of Directors would like to thank the Customers, Vendors, Investors, Financial Institutions, Bankers, Business Partners and Government Authorities for their continued support. The Board of Directors also appreciates the contribution made by the employees at all levels for their hard work, dedication, co-operation and support for the growth of the Company.

The Board of Directors would also like to thank all stakeholders for the continued confidence and trust placed by them with the Company.

For and on behalf of the Board of Directors of  
**VALUE INDUSTRIES LIMITED**

**NAVEEN B. MANDHANA**  
DIRECTOR  
DIN: 01222013

**BHUJANG S. KAKADE**  
DIRECTOR  
DIN: 06383819

Place : Mumbai  
Date : 1<sup>st</sup> September, 2017

## ANNEXURE - 1

### SECRETARIAL AUDIT REPORT

To  
The Members,  
Value Industries Limited  
14 K.M. Stone, Aurangabad Paithan Road,  
Village Chittegaon, Taluka Paithan,  
Aurangabad - 431105  
Maharashtra

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Value Industries Limited. (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017 ("Audit Period") 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- i. The Companies Act, 2013 (the "Act") and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 w.e.f. October 28, 2014 (Not applicable to the Company during the Audit Period);
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period);
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);

- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.

I have relied on the representation made by the Company and its officers for the systems and mechanisms formed by the Company for compliances under applicable Acts, Rules, Laws and Regulations to the Company. The list of major head or groups of Acts, Rules, Laws and Regulations as applicable to the Company is given in Annexure B.

I have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws and their regulatory compliances, since the same have been subject to review by statutory financial audit and other designated professionals.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation:

- i. *Except for the appointment of Company Secretary, the Company has not appointed any Key Managerial Personnel under the provisions of Section 203 of the Act and Rules made thereunder.*
- ii. *As per Section III (Annexure 6) (Para 2.2d) of the Foreign Direct Investment Policy, the return of Foreign Assets and Liabilities for the Audit Period has not been filed for the Company with the Reserve Bank of India.*
- iii. *The Company has delayed in filing of some of the e-Forms with the Registrar of Companies during the Audit Period*

I further report that:

- i. The Board of Directors of the Company is duly 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.
- ii. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days 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.
- iii. All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the Audit Period, the following major events took place:

- i. Ms. Anagha Joshi ceased to be the Company Secretary and Compliance Officer of the Company with effect from November 30, 2016 and in her place, Mr. Sumit Mishra was appointed as the Company Secretary and Compliance Officer of the Company with effect from December 29, 2016 which is within the period prescribed under the Act.

**CS Soumitra Mujumdar**  
ACS 30938  
CP 12363

Date: 1<sup>st</sup> September, 2017  
Place: Mumbai

*This report to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.*

## ANNEXURE A

To

The Members,  
Value Industries Limited  
14 K.M. Stone, Aurangabad Paithan Road,  
Village Chittegaon, Taluka Paithan,  
Aurangabad - 431105  
Maharashtra

My secretarial audit report of even date is to be read along with this letter.

- i. Maintenance of secretarial and other records is the responsibility of the management of the Company. My responsibility is to express an opinion on these records based on my audit.
- ii. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
- iii. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- iv. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of certain events during the Audit Period.
- v. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis and expressing an opinion on the same.

**CS Soumitra Mujumdar**

ACS 30938  
CP 12363

Date: 1<sup>st</sup> September, 2017  
Place: Mumbai

## ANNEXURE B

- i. Factories Act, 1948
- ii. Industrial Disputes Act, 1947
- iii. The Payment of Wages Act, 1936
- iv. The Minimum Wages Act, 1948
- v. Employees State Insurance Act, 1948
- vi. The Employees Provident Funds and Miscellaneous Provisions Act, 1952
- vii. The Payment of Bonus Act, 1965
- viii. The Payment of Gratuity Act, 1972
- ix. The Contract Labour (Regulation & Abolition) Act, 1970
- x. The Maternity Benefit Act, 1961
- xi. The Child Labour (Prohibition & Regulation) Act, 1986
- xii. The Industrial Employment (Standing Orders) Act, 1946
- xiii. The Employees Compensation Act, 1923
- xiv. The Apprentices Act, 1961
- xv. Equal Remuneration Act, 1976
- xvi. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
- xvii. Water (Prevention and Control of Pollution) Act, 1974
- xviii. Air (Prevention and Control of Pollution) Act, 1981
- xix. Environment Protection Act, 1986
- xx. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
- xxi. E-Waste Management & Handling Rules, 2016



## ANNEXURE - 2

### FORM NO. MGT 9

**EXTRACT OF ANNUAL RETURN**  
As on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

#### I. REGISTRATION & OTHER DETAILS:

1	CIN	: L99999MH1988PLC046445
2	Registration Date	: 8th March, 1988
3	Name of the Company	: VALUE INDUSTRIES LIMITED
4	Category/Sub-category of the Company	: Company Limited by Shares : Indian Non-Government Company
5	Address of the Registered office & contact details	: 14 K. M. Stone, Aurangabad – Paithan Road, Village: Chittegaon, Tal: Paithan, Dist.: Aurangabad 431 105, Maharashtra, India Tel No. : +91-2431-251555, +91-2431-661471 Fax. No.: +91-2431-251571 E-mail Id : secretarial_value@videoconmail.com
6	Whether listed company	: Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	: MCS Share Transfer Agent Limited 002, Ground Floor, Kashiram Jamnadas Bldg, 5 P.D' Mello Road, Masjid (E), Mumbai 400 009 Tel No. : +91 – 22-40206020/21/22/23/24 E- mail Id : mcssta.mumbai@gmail.com

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacture and whole-sale and retail trade of Consumer Electronics and Home Appliances items	264, 465 and 478	100

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
Not Applicable					

#### IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

##### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	2,292,605	-	2,292,605	5.85	2,292,605	-	2,292,605	5.85	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	16,029,801	-	16,029,801	40.91	16,029,801	-	16,029,801	40.91	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (1)</b>	<b>18,322,406</b>	<b>-</b>	<b>18,322,406</b>	<b>46.76</b>	<b>18,322,406</b>	<b>-</b>	<b>18,322,406</b>	<b>46.76</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL (A)</b>	<b>18,322,406</b>	<b>-</b>	<b>18,322,406</b>	<b>46.76</b>	<b>18,322,406</b>	<b>-</b>	<b>18,322,406</b>	<b>46.76</b>	<b>-</b>

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	14,276	14,276	0.04	-	14,276	14,276	0.04	-
b) Banks / FI	2,142	3,681	5,823	0.01	2,242	3,681	5,923	0.02	0.01
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	944,731	25	944,756	2.41	944,731	25	944,756	2.41	-
g) FII's / FPI's	-	1,025	1,025	-	-	1,025	1,025	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>946,873</b>	<b>19,007</b>	<b>965,880</b>	<b>2.46</b>	<b>946,973</b>	<b>19,007</b>	<b>965,980</b>	<b>2.47</b>	<b>-</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	1,395,447	37,216	1,432,663	3.66	1,219,025	35,216	1,254,241	3.20	-0.46
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	10,061,494	42,90,623	14,352,117	36.63	9,914,803	4,262,592	14,177,395	36.18	-0.45
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	3,878,120	-	3,878,120	9.90	4,145,435	-	4,145,435	10.58	0.68
c) Others (specify)									
Non Resident Indians	221,885	12,000	233,885	0.60	307,689	11,925	319,614	0.82	0.22
Trusts/Co-operative Society/Foundation	404	200	604	0.00	404	200	604	0.00	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Other Body Corporate	-	-	-	-	-	-	-	-	-
Foreign Bodies	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>15,557,350</b>	<b>4,340,039</b>	<b>19,897,389</b>	<b>50.78</b>	<b>15,587,356</b>	<b>4,309,933</b>	<b>19,897,289</b>	<b>50.78</b>	<b>-</b>
<b>Total Public (B)</b>	<b>16,504,223</b>	<b>4,359,046</b>	<b>20,863,269</b>	<b>53.24</b>	<b>16,534,329</b>	<b>4,328,940</b>	<b>20,863,269</b>	<b>53.24</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>34,826,629</b>	<b>4,359,046</b>	<b>39,185,675</b>	<b>100.00</b>	<b>34,856,735</b>	<b>4,328,940</b>	<b>39,185,675</b>	<b>100.00</b>	<b>-</b>

## (ii) Shareholding of Promoter and Promoter Group

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Rajkumar Nandlal Dhoot	903,742	2.31	-	903,742	2.31	0.92	-
2	Venugopal Nandlal Dhoot	2,365	0.01	-	2,365	0.01	-	-
3	Pradipkumar Nandlal Dhoot	2,428	0.01	-	2,428	0.01	-	-
4	Kesharbai Nandlal Dhoot	111,276	0.28	-	111,276	0.28	-	-
5	Anirudha Venugopal Dhoot	557,600	1.42	-	557,600	1.42	-	-
6	Namrata Rajkumar Dhoot	130	0.00	-	130	0.00	-	-
7	Tanushree Biyani	130	0.00	-	130	0.00	-	-
8	Ramabai Venugopal Dhoot	257,750	0.66	-	257,750	0.66	-	-
9	Sushmabai Rajkumar Dhoot	166,797	0.43	-	166,797	0.43	-	-
10	Akshay Rajkumar Dhoot	186,917	0.48	-	186,917	0.48	-	-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
11	Saurabh Pradipkumar Dhoot	103,470	0.26	-	103,470	0.26	-	-
12	Videocon Industries Limited	1,971,973	5.03	-	1,971,973	5.03	-	-
13	Dome-Bell Electronics India Private Limited	4,498,495	11.48	-	4,498,495	11.48	-	-
14	Greenfield Appliances Private Limited	1,127,672	2.88	-	1,127,672	2.88	2.59	-
15	Force Appliances Private Limited	1,200,000	3.06	-	1,200,000	3.06	-	-
16	Waluj Components Private Limited	2,606,478	6.65	-	2,606,478	6.65	-	-
17	Videocon Realty & Infrastructure Limited	300	0.00	-	300	0.00	-	-
18	Solitaire Appliances Private Limited	1,027,672	2.62	-	1,027,672	2.62	-	-
19	Synergy Appliances Private Limited	1,027,672	2.62	-	1,027,672	2.62	-	-
20	Platinum Appliances Private Limited	1,027,672	2.62	-	1,027,672	2.62	-	-
21	CE India Limited	1,541,867	3.93	-	1,541,867	3.93	-	-
	<b>Total</b>	<b>18,322,406</b>	<b>46.76</b>	<b>-</b>	<b>18,322,406</b>	<b>46.76</b>	<b>3.51</b>	<b>-</b>

## (iii) Change in Promoters' Shareholding (please specify, if there is no change):

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
NO CHANGE							

## (iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the Top 10 shareholders	Action*	Month	Shareholding at the beginning and at the end of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Life Insurance Corporation of India						
	At the beginning of the year			852,749	2.18	-	-
	Changes during the year			-	-	852,749	2.18
	At the end of the year			852,749	2.18	-	-
2	C K Stephen						
	At the beginning of the year			89,704	0.23	-	-
	Changes during the year	Market Purchase	Jun-16	59,960	0.15	149,664	0.38
		Market Purchase	Jul-16	125	0.00	149,789	0.38
		Market Purchase	Sep-16	36,806	0.09	186,595	0.48
		Market Purchase	Oct-16	3,236	0.01	189,831	0.48
		Market Purchase	Nov-16	26,151	0.07	215,982	0.55
		Market Purchase	Dec-16	62,126	0.16	278,108	0.71
		Market Purchase	Jan-17	2,152	0.01	280,260	0.72
		Market Purchase	Feb-17	23,379	0.06	303,639	0.77
		Market Purchase	Mar-17	103,934	0.27	407,573	1.04
	At the end of the year			407,573	1.04	-	-
3	Kuchipudi Rama Koteswara Prasad						
	Kuchipudi Rajani						
	At the beginning of the year			260,000	0.66	-	-
	Changes during the year			-	-	260,000	0.66
	At the end of the year			260,000	6.66	-	-

SN	For each of the Top 10 shareholders	Action*	Month	Shareholding at the beginning and at the end of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
4	Vinodchandra Mansukhlal Parekh Sanjeev Vinodchandra Parekh						
	At the beginning of the year			195,716	0.50	-	-
	Changes During the year			-	-	195,716	0.50
	At the end of the year			195,716	0.50	-	-
5	Ramakant Ramniwas Kasat						
	At the beginning of the year			189,000	0.48	-	-
	Changes During the year			-	-	189,000	0.48
	At the end of the year			189,000	0.48	-	-
6	Shrinivas Reddy Machupalle						
	At the beginning of the year			151,381	0.39	-	-
	Changes During the year	Market Purchase	Apr-16	9,670	0.02	161,051	0.41
		Market Purchase	May-16	1,110	0.00	162,161	0.41
		Market Purchase	Jun-16	326	0.00	162,487	0.41
		Market Purchase	Jul-16	123	0.00	162,610	0.41
		Market Purchase	Aug-16	489	0.00	163,099	0.42
		Market Purchase	Sep-16	953	0.00	164,052	0.42
		Market Purchase	Oct-16	183	0.00	164,235	0.42
		Market Purchase	Nov-16	75	0.00	164,310	0.42
		Market Purchase	Dec-16	198	0.00	164,508	0.42
		Market Purchase	Jan-17	39	0.00	164,547	0.42
		Market Purchase	Feb-17	29	0.00	164,576	0.42
		Market Purchase	Mar-17	25	0.00	164,601	0.42
	At the end of the year			164,601	0.42	-	-
7	Mariyam S Paratha						
	At the beginning of the year			-	-	-	-
	Changes During the year	Market Purchase	Jul-16	114,616	0.29	114,616	0.29
		Market Purchase	Mar-17	170	0.00	114,786	0.29
	At the end of the year			114,786	0.29	-	-
8	Yasmin Sabrina Pinto						
	At the beginning of the year			110,000	0.28	-	-
	Changes During the year			-	-	110,000	0.28
	At the end of the year			110,000	0.28	-	-
9	Ramesh Chand						
	At the beginning of the year			97,156	0.25	-	-
	Changes During the year	Market Purchase	Aug-16	5,000	0.01	102,156	0.26
	At the end of the year			102,156	0.26	-	-
10	Sanjay Suresh Khedkar						
	At the beginning of the year			93,488	0.24	-	-
	Changes During the year			-	-	93,488	0.24
	At the end of the year			93,488	0.24	-	-

\*NOTE : The changes in the holdings have been determined on a 'Monthly Closing Basis' as per the beneficiary position received from National Security Depository Limited and Central Depository Services (India) Limited. The "Top Ten Shareholders" have been determined based on the shareholding as on 31st March, 2017.

(v) Shareholding of Directors and Key Managerial Personnel: NIL

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
None of the Directors and Key Managerial Personnel holds any shares in the Company.							

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. ₹ in Million)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	6,560.43	3,900.00	-	10,460.43
ii) Interest due but not paid	13.87	-	-	13.87
iii) Interest accrued but not due	14.88	-	-	14.88
<b>Total (i+ii+iii)</b>	<b>6,589.18</b>	<b>3,900.00</b>	<b>-</b>	<b>10,489.18</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	5.07	500.00	-	505.07
* Reduction	-	-	-	-
<b>Net Change</b>	<b>5.07</b>	<b>500.00</b>	<b>-</b>	<b>505.07</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	6,571.19	4,400.00	-	10,971.19
ii) Interest due but not paid	14.18	-	-	14.18
iii) Interest accrued but not due	8.88	-	-	8.88
<b>Total (i+ii+iii)</b>	<b>6,594.25</b>	<b>4,400.00</b>	<b>-</b>	<b>10,994.25</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NIL**

(Amt. ₹ in Million)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	<b>Name</b>		
	Designation		
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act	-	-

**B. Remuneration to other Directors**

(Amt. ₹ in Million)

SN.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	<b>Avinash Malpani</b>	<b>Naveen Mandhana</b>	<b>Bhujang Kakade</b>	
	Fee for attending board and committee meetings	0.0065	0.0305	0.0345	0.0715
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total</b>	<b>0.0065</b>	<b>0.0305</b>	<b>0.0345</b>	<b>0.0715</b>
	<b>Total (1)</b>	<b>0.0715</b>			
2	Other Non-Executive Directors	<b>Gayathri Girish</b>			-
	Fee for attending board committee meetings	0.0045			0.0045
	Commission	-			-
	Others, please specify	-			-
	<b>Total (2)</b>	<b>0.0045</b>			<b>0.0045</b>
	<b>Total (B)=(1+2) Managerial Remuneration</b>	<b>0.0760</b>			
	Overall Ceiling as per the Act	-			



## C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amt. ₹ in Million)

SN.	Particulars of Remuneration		Name of Key Managerial Personnel				Total Amount
	Designation	CEO	CFO	*COMPANY SECRETARY			
	Name			Anagha Joshi (Resigned w.e.f. 30.11.2016)	Sumit Mishra (Appointed w.e.f. 29.12.2016)		
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	0.41	0.08	0.49	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961						
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961						
2	Stock Option	-	-	-	-	-	
3	Sweat Equity	-	-	-	-	-	
4	Commission - as % of profit - others, specify	-	-	-	-	-	
5	Others, please specify					-	
	Total	-	-	0.41	0.08	0.49	

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description		Details of Penalty / Punishment/ Compounding fees imposed		Authority [RD / NCLT/ COURT]		Appeal made, if any (give Details)	
A. COMPANY									
Penalty	-	-	-	-	-	-	-	-	-
Punishment	-	-	-	-	-	-	-	-	-
Compounding	-	-	-	-	-	-	-	-	-
B. DIRECTORS									
Penalty	-	-	-	-	-	-	-	-	-
Punishment	-	-	-	-	-	-	-	-	-
Compounding	-	-	-	-	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT									
Penalty	-	-	-	-	-	-	-	-	-
Punishment	-	-	-	-	-	-	-	-	-
Compounding	-	-	-	-	-	-	-	-	-

For and on behalf of the Board of Directors of  
VALUE INDUSTRIES LIMITEDNAVEEN B. MANDHANA  
DIRECTOR  
DIN: 01222013BHUJANG S. KAKADE  
DIRECTOR  
DIN: 06383819Place : Mumbai  
Date : 1<sup>st</sup> September, 2017

## CORPORATE GOVERNANCE REPORT

In compliance with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "SEBI Regulations"), the Board of Directors take pleasure in presenting the Corporate Governance Report for the financial year 2016-17.

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising of regulators, employees, customers, vendors, investors and the society at large.

Your Company is in full compliance with the requirements and disclosures as stated therein. A certificate from the Statutory Auditors of the Company confirming compliance of the Corporate Governance is appended to this Report.

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is the acceptance by management of the inalienable rights of shareholders as the true owners of the Company and of their own role as trustees on behalf of the shareholders. It is about commitment to values, about ethical business conduct and about making a distinction between personal and corporate funds in the management of a Company.

The Management of the Company believes, a well-defined and enforced Corporate Governance provides a structure that works for the benefit of everyone concerned by ensuring that the enterprise adheres to accepted ethical standards and best practices as well as to formal laws.

Your Company believes that sound Corporate Governance is necessary to enhance and retain stakeholders' trust. The disclosures always seek to attain best practices in international Corporate Governance. The Company tries for continuous endeavor to enhance long-term shareholders' value and respect minority rights in all its business decisions.

Your Company is committed to uncompromising integrity in its conduct of business. Its value systems and ethical principles set the ground rules of the manner in which it interacts with employees and outside world. The Company promotes a culture of honesty and fairness and encourages its employees to express their concerns regarding unethical practices or suspected misconduct, without any fear of punishment or unfair treatment. Corporate Governance is not a mere compliance; it is something that your Company fundamentally believes in. Our Corporate Governance pillars on transparency and fairness in action satisfying accountability and responsibility towards the stakeholders.

The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons. The demands of Corporate Governance require professionals to raise their competence and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics. It has thus become crucial to foster and sustain a culture that integrates components of good governance by carefully balancing the complex inter-relationship among the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee.

### BOARD OF DIRECTORS

#### Composition of the Board of Directors as on 31<sup>st</sup> March, 2017:

The Board comprises of 3 (three) Independent Directors, viz., Mr. Bhujang S. Kakade, Mr. Naveen B. Mandhana and Mr. Avinash Malpani and 1 (one) Non-Executive, Non-Independent Director, Mrs. Gayathri R. Girish. The Board members are the persons having vast experience in the fields of Finance, Manufacturing and Marketing. None of the directors have any *inter-se* relations among themselves or with any employee of the Company.

#### Proceedings of Board and Committee Meetings:

The Board is primarily responsible to create a culture of leadership to provide a long term vision and policy approach to improve the quality of governance. The Board's responsibilities further include overseeing the functioning of the Company's top management, monitoring legal compliance and management of the risks related to the Company's operations. The Board also observes strict adherence to ethical

standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. The Board's actions and decisions are aligned with the Company's best interests. The Board critically evaluates the Company's strategic direction, management policies and their effectiveness. The agenda for the Board reviews include strategic review from each of the Board Committees, a detailed analysis and review of annual strategic and operating plans and capital allocation and budgets.

The Board and Committee meet at timely intervals to discuss the business transactions and for strategic decision making. The Board has constituted 6 (six) committees i.e. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Social Responsibility Committee and Finance and General Affairs Committee.

The proceedings for conducting the Board and Committee meetings include the following:-

1. The Company Secretary discusses the agenda to be transacted at the Board and Committee meetings with the Board of Directors of the Company. The Company Secretary circulates the agenda with back up papers well in advance to all the Directors and members of the Committees, who are eligible to attend the meeting.
2. In case of emergency; the meetings are conducted by giving shorter notice. The Board is also authorized to pass resolutions by circulation in case of urgent need.
3. The Chairman ensures that proper quorum is present throughout the meeting.
4. The Board has complete and un-restricted access to all the information available with the Company including:
  - Annual operating plans and budgets and any updates;
  - Capital budgets and any updates;
  - Quarterly/Annual results of the Company and its operating divisions or business segments;
  - Minutes of Board Meeting and other Committee Meetings of the Board;
  - Notice of Disclosure of Interest;
  - The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary;
  - Material important litigations, show cause, demand, prosecution notices and penalty notices, if any and status updates;
  - Sale of material nature of investments, subsidiaries and assets, which are not in the normal course of business;
  - Compliance Reports, Corporate Governance Report;
  - Related Party Transactions, if any;
  - Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
  - Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company;
  - Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
  - Significant labour problems and their proposed solutions, also any significant development in Human Resource and Industrial Relations;
  - Quarterly details of foreign exchange exposure and the steps taken by the management to limit the risks of adverse exchange rate movement, if material;
  - Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc;
  - Any issue, which involves possible public or product liability claims of substantial nature including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company; and
  - Any other materially relevant information.
5. Draft minutes are being circulated to all the members of the Board and Committee for their comments. The Chairman of the meeting signs the minutes so circulated and approved by all the members.

6. The proceedings of the Board Meetings, General Meetings and Committee Meetings are duly recorded in Minutes book on timely basis.

The Board periodically reviews the compliance reports to ensure adherence to all applicable provisions of law, rules and guidelines as may be applicable to the Company and takes step to rectify non-compliances, if any.

#### Code of Conduct:

The Board has laid down a Code of Conduct for all Directors and Senior Management of the Company, which has been posted on the website of the Company i.e. www.valueind.in. All Directors and Senior Management Personnel have affirmed compliance with the code for the year ended on 31<sup>st</sup> March, 2017. A declaration to this effect signed by the Head-Operations and Company Secretary is given below:

DECLARATION	
The Board has laid down a code of conduct for all the Board Members and Senior Management which is posted on the website of the Company. The Board Members and Senior Management have affirmed Compliance with the code of conduct.	
For <b>VALUE INDUSTRIES LIMITED</b>	
<b>HEAD - OPERATIONS</b>	<b>COMPANY SECRETARY</b>
Date: 1 <sup>st</sup> September, 2017	
Place: Mumbai	

#### Meetings of the Board of Directors:

During the year under review, the Board met 5 (five) times on the following dates: 30<sup>th</sup> May, 2016, 13<sup>th</sup> August, 2016, 14<sup>th</sup> November, 2016, 29<sup>th</sup> December, 2016 and 14<sup>th</sup> February, 2017. The gap between two Board Meetings has been less than 120 days.

#### Attendance of the Board members at the Board Meetings and Annual General Meeting;

Name of the Director	Attendance at the Annual General Meeting held on 26 <sup>th</sup> September, 2016	Attendance at the Board Meeting
Mrs. Gayathri R. Girish	No	1
Mr. Avinash Malpani	No	1
Mr. Naveen Mandhana	No	5
Mr. Bhujang Kakade*	Yes	5
Mr. Subhash Dayama**	N.A.	N.A.

\*Appointed w.e.f. 30/05/2016

\*\*Resigned w.e.f. 14/05/2016

The Directors do not hold any shares in the Company.

#### Number of other Boards or Board Committees in which a Director is a member or chairperson as on 31.03.2017:

Name of the Director	Other Directorships		
	Directorship @	Committee Chairmanship#	Committee Membership#
Mr. Bhujang Kakade	1	2	0
Mrs. Gayathri R. Girish	-	-	-
Mr. Avinash Malpani	-	-	-
Mr. Naveen Mandhana	2	1	-

#### Note:

@ Directorships held by the directors do not include alternate directorships, directorships in Foreign Companies, Companies incorporated under Section 8 of the Companies Act, 2013 and Private Limited Companies.

# Chairmanship/ Membership of only the Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies have been considered.

#### Independent Directors Meeting

One separate meeting of the Independent Directors was held on 14th February, 2017, which was attended by all the Independent Directors.

#### COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors of the Company have set up Committees to carry out various functions, as entrusted, and give the suitable recommendations to the Board on the significant matters, from time to time. Each of the Committee is guided by well-defined scope, powers and composition of the Committee. All decisions and recommendations of the Committees are placed before the Board either for information or approval.

#### Mandatory Committees:

1. Audit Committee
2. Stakeholders' Relationship Committee
3. Nomination and Remuneration Committee
4. Risk Management Committee
5. Corporate Social Responsibility Committee (Mandatory as per Companies Act, 2013)

#### Non-Mandatory Committees

1. Finance and General Affairs Committee

The members of the Committees are elected by the Board and co-opted by the respective Committees.

#### AUDIT COMMITTEE:

Members of Audit Committee comprise of Independent Directors and the members have financial background and accounting knowledge. The Committee is also responsible for reviewing the adequacy of internal control system and to ensure compliance thereof and adequate follow up actions are taken.

#### Composition as on 31<sup>st</sup> March, 2017, Meetings and Attendances:

The composition of the Audit Committee satisfies the requirements of the Companies Act, 2013 and Regulation 18 of the SEBI Regulations.

During the year under review, the Committee was reconstituted. The Committee met 5 (five) times on the following dates: 30<sup>th</sup> May, 2016, 13<sup>th</sup> August, 2016, 14<sup>th</sup> November, 2016, 29<sup>th</sup> December, 2016 and 14<sup>th</sup> February, 2017.

The composition, meetings and attendances of members of the Audit Committee are as under:

Name of the Director	Designation	Category	No. of Meetings Attended
Mr. Bhujang Kakade	Chairman	Independent	5
Mr. Avinash Malpani	Member	Independent	1
Mr. Naveen Mandhana	Member	Independent	4

The Statutory Auditors, Cost Auditors and Head of Internal Audit and other key officials attended and participated in the Audit Committee Meeting, on invitation. The Company Secretary is the *de-facto* Secretary of the Committee.

#### Terms of reference and scope of the Committee:

1. 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.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees and also approval for payment for any other services rendered by the Auditors.
3. Reviewing and monitoring the Auditor's Independence and performance, and effectiveness of audit process.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - i. Matters required for inclusion in the Directors' Responsibility Statement to be included in the Board's report in terms of Section 134(3) of the Companies Act, 2013;
  - ii. Changes, if any, in accounting policies and practices and reasons for the same;

- iii. Major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. Modified opinion(s) in the draft audit report;
  - v. Significant adjustments made in the financial statements arising out of audit findings;
  - vi. The going concern assumption;
  - vii. Compliance with listing and other legal requirements relating to financial statements;
  - viii. Disclosure of any related party transactions;
  - ix. Observations and Qualifications in the draft audit report; and
  - x. Review of related party transactions.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
  6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
  7. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
  8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  9. Discussion with internal auditors about any significant findings and follow-up there on.
  10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  12. To look into the reasons for substantial defaults in the payment if any, to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
  13. To review the functioning of the Whistle Blower mechanism.
  14. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
  15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

#### **Powers of the Audit Committee includes:**

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### **Review of information by Audit Committee:**

The Audit Committee mandatorily reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor.

#### **Whistle Blower Policy & Vigil Mechanism**

The Board has adopted a Whistle Blower Policy to promote reporting of any unethical or improper practice or violation of the Company's Code of Conduct or complaints regarding its accounting, auditing, internal controls or disclosure practices. It gives a platform to the whistle blower to report any unethical or improper practice (not necessarily violation of law) and to define processes for receiving and investigating complaints. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice. More details are available on website: [www.valueind.in](http://www.valueind.in).

#### **STAKEHOLDER'S RELATIONSHIP COMMITTEE:**

During the year under review, the Committee was reconstituted. The Committee met 4 (four) times on the following dates: 30<sup>th</sup> May, 2016, 13<sup>th</sup> August, 2016, 14<sup>th</sup> November, 2016 and 14<sup>th</sup> February, 2017.

**The composition, meetings and attendances of Directors are as follows:**

Name of the Director	Designation	Category	No. of Meetings Attended
Mr. Bhujang Kakade	Chairman	Independent	4
Mr. Avinash Malpani	Member	Independent	1
Mr. Naveen Mandhana	Member	Independent	3

#### **Compliance Officer:**

Mr. Sumit Mishra, Company Secretary, is the Compliance Officer.

#### **Terms of reference and Scope of the Committee:**

The Stakeholders' Relationship Committee plays an important role in acting as a link between the management and ultimate owners of the Company i.e. the shareholders. The Committee also looks after the redressal of investors' grievances and performance of the Registrar and Share Transfer Agent of the Company and recommends measures for overall improvement in the quality of investor services.

#### **Scope of the Committee:**

- Transfer of shares;
- Transmission of shares;
- Issue of Duplicate Share Certificates;
- Change of Status;
- Change of name;
- Transposition of shares;
- Sub-division of shares;
- Allotment of securities;
- Consolidation of Folios;
- Requests for Dematerialization/Rematerialization of shares; and
- Redressal of investor grievances.

The Company ensures that there is no violation of the code of conduct for prevention of insider trading.

The power of share transfer has been delegated to MCS Share Transfer Agent Limited, Registrar and Share Transfer Agent of the Company, who processes the transfers.

#### **Details of Share Transfer/ Demat/ Remat:**

The request for transfer, dematerialization and rematerialization from the shareholders were received and approved, particulars of which are as under:

Particulars	Details
Number of Transfers	63
Number of Shares Transferred	8,049
Average No. of Transfers per Month	5.25
Number of Demat Requests approved	261
Number of Shares Dematerialized	29,921
Percentage of Shares Dematerialized	0.08
Number of Rematerialization Requests approved	1
Number of Shares Rematerialized	100
Number of Sub-committee Meetings held	41

During the year under review, the pending complaint at the beginning of the year was 1. The Company had received 101 complaints. All of the 102 complaints (including 1 complaint opening balance ) were redressed to the satisfaction of the shareholders.

#### NOMINATION AND REMUNERATION COMMITTEE:

During the period under review, the Committee was reconstituted. The Committee met 2 (two) times on the following dates: 13<sup>th</sup> August, 2016 and 29<sup>th</sup> December, 2016.

#### Composition as on 31<sup>st</sup> March, 2017, Meetings and Attendances:

The composition, meeting and attendance of the members of the Committee are as follows:

Name of the Director	Designation	Category	No. of Meetings Attended
Mr. Naveen Mandhana	Chairman	Independent	2
Mr. Bhujang Kakade	Member	Independent	2
Mrs. Gayathri R. Girish	Member	Non-Executive	2

Company Secretary acts as the *de-facto* Secretary to the Committee.

#### Terms of reference and Scope of the Committee:

The terms of reference and Scope of the Committee are represented below:

- Formulation of the criteria for determining qualifications, positive attributes and independence of the director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and board of directors;
- Devising the policy on diversity of the board of directors;
- 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 of directors their appointment and removal;
- Whether to extend or continue the term of appointment of independent director on the basis of the report of performance evaluation of independent directors;
- Fixing and reviewing the remuneration of the Chief Executives and other senior officers of the Company.
- Recommending the remuneration including the perquisite package of key management personnel;
- Determining the remuneration policy of the Company;
- Recommending the Board retirement benefits;
- Reviewing the performance of employees and their compensation; and
- Attending to any other responsibility as may be entrusted by the Board.

#### Remuneration Policy:

The Company has formulated the remuneration policy. The details of this policy are available on the Company's website i.e. [www.valueind.in](http://www.valueind.in).

#### Performance Evaluation Criteria for Independent Directors:

The Board evaluates the performance of independent directors (excluding the director being evaluated) on the basis of the contributions and suggestions made to the Board with respect to financial strategy, business operations etc.

#### Familiarisation Program for Independent Directors:

The details of the familiarization program are available on the Company's weblink viz <http://www.valueind.in/image/value/Value%20Familiarisation%20Program%20for%20Independent%20Directors.pdf>.

#### Director's Remuneration:

The Independent and Non-Executive Directors are paid only sitting fees for attending Board/Committee Meetings. The details of sitting fees paid to

Independent Directors during the period under review are as under:

Name of the Director	Sitting fees paid (₹)
Mr. Naveen Mandhana	30,500
Mr. Avinash Malpani	6,500
Mr. Bhujang Kakade	34,500
Mrs. Gayathri Girish	4,500
<b>Total</b>	<b>76,000</b>

The Company has not issued any stock options.

#### RISK MANAGEMENT COMMITTEE:

During the year under review, the Committee was reconstituted. The Committee met 1 (one) time on 30<sup>th</sup> May, 2016.

The composition, meetings and attendances of Directors are as follows:

Name of the Director	Designation	Category	No. of Meetings Attended
Mr. Bhujang Kakade	Chairman	Independent	1
Mr. Avinash Malpani	Member	Independent	0
Mr. Naveen Mandhana	Member	Independent	1

The framework of the Risk Management Committee includes:

- Risk Identification
- Risk Assessment
- Risk Measurement
- Risk Mitigation and Monitoring
- Risk Treatment
- Risk Reporting

#### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

During the year under review, the Committee was reconstituted.

The composition of Committee as on 31<sup>st</sup> March, 2017 is as follows:

Name of the Director	Designation	Category
Mr. Bhujang Kakade	Chairman	Independent
Mr. Avinash Malpani	Member	Independent
Mr. Naveen Mandhana	Member	Independent

#### FINANCE AND GENERAL AFFAIRS COMMITTEE:

Composition as on 31<sup>st</sup> March, 2017, Meetings and Attendances:

During the year under review, 10 (ten) Committee Meetings were held.

The composition, meeting and attendance of the members of the Committee is as follows-

Name of the Director	Designation	Category	No. of Meetings Attended
Mr. Bhujang Kakade	Chairman	Independent	10
Mr. Avinash Malpani	Member	Independent	2
Mr. Naveen Mandhana	Member	Independent	8

#### Terms of reference and Scope of the Finance and General Affairs Committee:

The Committee is entrusted with various powers from time to time, which shall aid in speedy implementation of various projects, activities and transactions whether routine or non-routine in nature.



## DETAILS OF GENERAL BODY MEETINGS

Location and time where the last three AGMs were held:

AGM	Date	Location	Time	Number of Special Resolution Passed
26 <sup>th</sup>	30 <sup>th</sup> June, 2014	14 K. M. Stone, Aurangabad – Paithan Road, Village :Chittegaon, Taluka: Paithan, District: Aurangabad – 431 105	10.00 a.m.	NIL
27 <sup>th</sup>	30 <sup>th</sup> June, 2015	14 K. M. Stone, Aurangabad – Paithan Road, Village :Chittegaon, Taluka: Paithan, District: Aurangabad – 431 105	2.00 p.m.	NIL
28 <sup>th</sup>	26 <sup>th</sup> September, 2016	14 K. M. Stone, Aurangabad – Paithan Road, Village :Chittegaon, Taluka: Paithan, District: Aurangabad – 431 105	10.30 a.m.	NIL

## Postal Ballot

No Special resolution was passed through postal ballot during the year under review.

None of the businesses are proposed to be transacted at the ensuing Annual General Meeting which requires passing of a Special resolution through postal ballot.

## DISCLOSURES

a)	Materially significant related party transactions i.e., transactions of the Company of material nature with its promoters, directors/management, subsidiaries/relatives etc. that may have potential conflict with the interests of the Company at large.	There are no transactions which may have potential conflicts with the interest of the Company at large. Transactions with related parties are disclosed in note no. 32 of the "Notes forming part of Financial Statements" in the Annual Report.
b)	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	NIL
c)	Details of Establishment of Vigil Mechanism, Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee.	The Company has implemented Vigil Mechanism and Whistle Blower Policy and it is hereby affirmed that no personnel have been denied access to Audit Committee.
d)	Details of Compliance with mandatory requirements and adoption of the non-mandatory requirements of this Clause	<p>The status of compliance with discretionary recommendations of the Regulation 27 of the SEBI Regulations with Stock Exchanges <i>inter-alia</i> is provided below:</p> <p>a. <b>Shareholders' Rights:</b> As the quarterly and half yearly financial performance along with significant events are published in the news papers and are also posted on the Company's website, the same are not being sent to the shareholders.</p> <p>b. <b>Modified Opinion in Auditors Report:</b> The Company's Financial Statements for the year 31st March, 2017 does not contain any modified audit opinion.</p> <p>c. <b>Reporting of Internal Auditor:</b> The Internal Auditor reports to the Audit Committee.</p>

e)	Weblink where the policy for determining related party transactions is disclosed.	<p>The policy on related party transactions is disclosed on the Company's weblink <a href="http://www.valueind.in/image/value/Value%20Related%20Party%20Transaction%20Policy.pdf">http://www.valueind.in/image/value/Value%20Related%20Party%20Transaction%20Policy.pdf</a></p> <p>The Company is in compliance with the corporate governance requirements specified in Regulation 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Regulations.</p>
f)	Disclosure with respect to Demat Suspense Account/ Unclaimed Suspense Account	N.A.

## GENERAL INFORMATION FOR SHAREHOLDERS

1.	Annual General Meeting	The 29 <sup>th</sup> Annual General Meeting for financial year ended on 31 <sup>st</sup> March, 2017 shall be held on Friday, 29 <sup>th</sup> September, 2017 at 2.00 p.m. at the Registered Office of the Company at 14 K.M. Stone, Aurangabad-Paithan Road, Village: Chittegaon, Taluka: Paithan, District: Aurangabad – 431 105 (Maharashtra).	
2.	Financial Calendar	Financial Year	1 <sup>st</sup> April, 2017 to 31 <sup>st</sup> March, 2018
		Financial Results	Announcement within 45 days from end of each quarter and 60 days from end of each quarter for audited accounts or such limit as may be prescribed by SEBI/Stock Exchanges.  Since the Company has adopted IND-AS for the first time, a general extension of 30 days for Announcement of quarterly results is available in terms of SEBI circular dated 5th July, 2016. Such extension would apply for the first two quarter of financial year 2017-18.
		Un-audited Results for the First Quarter	On or before 14 <sup>th</sup> September, 2017
		Un-audited Results for the Second Quarter	On or before 14 <sup>th</sup> December, 2017
		Un-audited Results for the Third Quarter	On or before 14 <sup>th</sup> February, 2018
		Audited Results for Fourth Quarter and the Financial Year	On or before 30 <sup>th</sup> May, 2018
		Annual General Meeting for Financial Year ended 31 <sup>st</sup> March, 2018	On or before 30 <sup>th</sup> September, 2018
3.	Date of Book Closure	Friday, 22 <sup>nd</sup> September, 2017 to Friday, 29 <sup>th</sup> September, 2017 (both days inclusive)	
4.	Dividend Payment Date	In view of the loss incurred; the Board of Directors of the Company do not recommend any dividend on equity shares for the year under review.	

5.	Listing on Stock Exchanges	The equity shares of your Company are listed on BSE Limited and the National Stock Exchange of India Limited. The Company has already paid Custodial Fees for the year 2017-18 to Central Depository Services (India) Limited. The Company is in process of making payment of Listing Fees for the year 2017-18.																																																																					
6.	Stock Code	<div>The names and addresses of the Stock Exchanges where the equity shares of your Company continue to be listed are given below:</div> <table><tr><td>BSE Limited (BSE) 1<sup>st</sup> Floor, New Trading Ring, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001</td><td>500945 (Stock Code)</td></tr><tr><td>The National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 059</td><td>VALUEIND (Stock Code)</td></tr></table>	BSE Limited (BSE) 1 <sup>st</sup> Floor, New Trading Ring, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	500945 (Stock Code)	The National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 059	VALUEIND (Stock Code)																																																																	
BSE Limited (BSE) 1 <sup>st</sup> Floor, New Trading Ring, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	500945 (Stock Code)																																																																						
The National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 059	VALUEIND (Stock Code)																																																																						
7.	Market Price Data	<div>Monthly High and Low Prices of Value Industries Limited ("Value Industries") at BSE and NSE are given below:</div> <table><tr><th rowspan="2">Month</th><th colspan="2">BSE</th><th colspan="2">NSE</th></tr><tr><th>High Price</th><th>Low Price</th><th>High Price</th><th>Low Price</th></tr><tr><td>April, 2016</td><td>16.74</td><td>12.13</td><td>17.00</td><td>12.20</td></tr><tr><td>May, 2016</td><td>15.30</td><td>11.92</td><td>15.50</td><td>11.35</td></tr><tr><td>June, 2016</td><td>12.99</td><td>11.00</td><td>13.80</td><td>11.00</td></tr><tr><td>July, 2016</td><td>14.24</td><td>12.00</td><td>14.50</td><td>11.90</td></tr><tr><td>August, 2016</td><td>13.65</td><td>10.61</td><td>13.60</td><td>11.00</td></tr><tr><td>September, 2016</td><td>14.16</td><td>11.00</td><td>12.70</td><td>10.90</td></tr><tr><td>October, 2016</td><td>15.39</td><td>11.80</td><td>15.00</td><td>11.80</td></tr><tr><td>November, 2016</td><td>14.00</td><td>10.80</td><td>13.90</td><td>10.00</td></tr><tr><td>December, 2016</td><td>15.20</td><td>11.02</td><td>15.20</td><td>11.15</td></tr><tr><td>January, 2017</td><td>14.85</td><td>12.05</td><td>14.85</td><td>11.70</td></tr><tr><td>February, 2017</td><td>13.95</td><td>11.50</td><td>13.90</td><td>11.30</td></tr><tr><td>March, 2017</td><td>13.50</td><td>11.60</td><td>13.95</td><td>10.00</td></tr></table>	Month	BSE		NSE		High Price	Low Price	High Price	Low Price	April, 2016	16.74	12.13	17.00	12.20	May, 2016	15.30	11.92	15.50	11.35	June, 2016	12.99	11.00	13.80	11.00	July, 2016	14.24	12.00	14.50	11.90	August, 2016	13.65	10.61	13.60	11.00	September, 2016	14.16	11.00	12.70	10.90	October, 2016	15.39	11.80	15.00	11.80	November, 2016	14.00	10.80	13.90	10.00	December, 2016	15.20	11.02	15.20	11.15	January, 2017	14.85	12.05	14.85	11.70	February, 2017	13.95	11.50	13.90	11.30	March, 2017	13.50	11.60	13.95	10.00
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8.	Comparative Chart	<div></div>																																																																					

9.	Registrar and Share Transfer Agents	MCS Share Transfer Agent Limited 002, Ground Floor, Kashiram Jamnadas Bldg, 5 P.D' Mello Road, Masjid (E), Mumbai 400 009 Tel No. : +91 – 22-40206020/21/22/23/24 Fax: +91 – 22-40206021				
10.	Share Transfer System	Applications for transfer of shares held in physical form are received at the office of the Registrar and Share Transfer Agents of the Company. All valid transfers are processed within 15 days from the date of receipt. The Company has pursuant to Regulation 7(3) of SEBI Regulations, submitted within stipulated time, certificate of half yearly basis confirming due compliance of Share Transfer formalities by the Company from Practising Company Secretary.				
11.	a) Shareholding Pattern as on 31 <sup>st</sup> March, 2017, is given as under:					
	Category Code	Category of Shareholder	Number of Shareholders	Total Number of Shares	As a percentage of (A+B+C)	
	(A)	Shareholding of Promoter and Promoter Group				
	(1)	Indian	21	18,322,406	46.76	
	(2)	Foreign	-	-	-	
		Sub-Total (A)	21	18,322,406	46.76	
	(B)	Public Shareholding				
	(1)	Institutions	52	965,980	2.47	
	(2)	Non-Institutions				
		-Bodies Corporate	491	1,254,241	3.20	
		-Individuals	64,358	18,322,830	46.76	
	(3)	Others	273	320,218	0.81	
		Sub-Total (B)	65,174	20,863,269	53.24	
		TOTAL (A) + (B)	65,195	39,185,675	100.00	
	(C)	Shares held by Custodians and against which depository Receipt have been issued				
	(1)	Promoter and Promoter Group	-	-	-	
	(2)	Public	-	-	-	
		Sub-total (C)	-	-	-	
		GRAND TOTAL (A) + (B) + (C)	65,195	39,185,675	100.00	
b)	Distribution of Shareholding as on 31 <sup>st</sup> March, 2017, is as given below:					
	Shareholding of Nominal Value	Number of Shareholders	% to total	No of Shares	Amount in Rs	% to Total
	Up to 5,000	61,583	94.46	72,76,217	7,27,62,170	18.56
	5001 to 10000	1,832	2.81	15,04,956	1,50,49,560	3.84
	10001 to 20000	790	1.21	12,20,984	1,22,09,840	3.12
	20001 to 30000	285	0.44	7,35,474	73,54,740	1.88
	30001 to 40000	140	0.22	4,99,327	49,93,270	1.27
	40001 to 50000	129	0.20	6,13,748	61,37,480	1.57
	50001 to 100000	218	0.33	15,99,451	1,59,94,510	4.08
	100001 and above	218	0.33	2,57,35,518	25,73,55,180	65.68
	TOTAL	65,195	100.00	3,91,85,675	39,18,56,750	100.00
12.	Dematerialization of Shares	The Company's Equity Shares are under compulsory demat trading by all categories of investors. As on 31 <sup>st</sup> March, 2017, 3,48,56,735 Equity Shares have been dematerialized which account for 88.96% of the total equity.				
13.	Outstanding GDRs/ ADRs/ Warrants or Conversion Instruments, Conversion Date and like impact on equity	NIL				

14.	Plant Location	15 K. M. Stone, Aurangabad-Paithan Road, Village: Chittegaon, Taluka: Paithan, Dist. Aurangabad – 431 105, Maharashtra
15.	Address for Correspondence	14 K. M. Stone, Aurangabad – Paithan Road, Village: Chittegaon, Taluka: Paithan, Aurangabad – 431 105 (Maharashtra) Tel.: (02431) 251 555 / 661 471; Fax: (02431) 251 571 Email: secretarial_value@videoconmail.com The correspondence address for shareholders in respect of their queries is: MCS Share Transfer Agent Limited Kashiram Jamnadas Building, Office No. 21/22, Ground Floor, 5, P. D'mello Road (Ghadiyal Godi), Masjid (East), Mumbai – 400 009 Tel: 022 – 23726253-55 Fax: 022- 23726252/23726256

#### MISCELLANEOUS

##### BANK DETAILS:

Shareholders holding shares in physical form are requested to notify / send the following information to the Registrar and Share Transfer Agent of the Company:

- Any change in their address/ mandate/ bank details etc; and
- Particulars of the bank account in which they wish their dividend to be credited (in case the same has not been furnished earlier); and should include the following particulars namely, Bank Name, Branch Name, Account Type, Account Number and MICR Code (9 digits).

##### PERMANENT ACCOUNT NUMBER:

The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to the Depository Participants with whom they are maintaining their demat

accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Share Transfer Agent.

##### NOMINATION FACILITY:

Shareholders holding shares in physical form and desirous of submitting/changing nomination in respect of their shareholding in the Company may submit Form 2B (in duplicate) as per the provisions of the Companies Act, 2013, to the Company's Registrar and Transfer Agent.

##### DISCLOSURE OF COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES:

The Risk Management Committee identifies the risk elements and manages the risk pertaining to hedging activities and periodically discusses & mitigates the identified risks from time to time.

#### MEANS OF COMMUNICATION

The Company regularly intimates its financial results, audited/ limited reviewed, to the Stock Exchanges, as soon as the same are taken on record /approved. These financial results are published in the Free Press Journal and Loksatta, English and Marathi language newspapers, respectively. These results are not distributed/sent individually to the shareholders.

In terms of the requirements of the SEBI Regulations, the reports, statements, documents, filings and any other information is electronically submitted to the recognized stock exchanges, through [www.listing.bseindia.com](http://www.listing.bseindia.com) and [www.connect2nse.com](http://www.connect2nse.com); unless there are any technical difficulties while filing the same.

All important information and official press releases are displayed on the website for the benefit of the public at large. Analysts' Reports/ Research Report, if any, are also uploaded on the website of the Company. The Company's website can be accessed at [www.valueind.in](http://www.valueind.in).

Management Discussion and Analysis Report forms part of the Annual Report.

##### Compliance Certificate from Statutory Auditors:

A certificate from the Statutory Auditors of the Company confirming compliance of conditions of Corporate Governance as stipulated under Clause E of Schedule V of the SEBI Regulations is attached to this Report.

**CERTIFICATION**

To,

The Board of Directors

**VALUE INDUSTRIES LIMITED**

We, Head-Operations and Head-Finance of the Company, certify to the Board that:

- a) We have reviewed the Financial Statements and the Cash Flow Statements for the Financial year ended on 31<sup>st</sup> March, 2017 and to the best of our knowledge and belief;
- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
  - 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.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company, disclosing to the Auditors and the Audit Committee the deficiencies in the design or operation of such internal controls, if any, and take steps or propose to take steps to rectify these deficiencies.
- d) We have indicated, wherever applicable, to the Auditors and the Audit Committee:
- Significant changes in Internal Control over financial reporting during the year;
  - Significant changes in Accounting Policies, the same have been disclosed in the notes to the financial statements ; and
  - Instances of significant fraud of which we have become aware and the involvements therein if any of the management or an employee having a significant role in the Company's internal control systems or financial reporting.

For **VALUE INDUSTRIES LIMITED****HEAD - OPERATIONS****HEAD - FINANCE**

Place : Mumbai

Date : 1<sup>st</sup> September, 2017**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

To,

The Members of

**VALUE INDUSTRIES LIMITED**

We have examined the compliance of conditions of Corporate Governance by Value Industries Limited, ("the Company") for the year ended on 31<sup>st</sup> March, 2017, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In our opinion and to the best of our information and according to the explanations given to us and representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance 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 KHANDELWAL JAIN & CO.**

Chartered Accountants

(Firm Registration No.: 105049W)

**BHUPENDRA Y. KARKHANIS**

Partner

Membership No.: 108336

Place: Mumbai

Date: 1<sup>st</sup> September, 2017**For KADAM & CO.**

Chartered Accountants

(Firm Registration No.: 104524W)

**U. S. KADAM**

Partner

Membership No.: 31055

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Board of Directors of your Company have pleasure in presenting the Management Discussion and Analysis Report in compliance with the code of Corporate Governance approved by the Securities and Exchange Board of India (SEBI) and in compliance with the provisions of Regulation 34(2)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### INDUSTRY STRUCTURE AND DEVELOPMENT

Indian market's impetus continues to grow amid of all the challenges and crisis and nothing has stopped this surge. The market continues to evolve at a rapid pace and demands more comfort and eco-friendly products. Globalization is the key and the Indian consumers are fast catching up on par with their global counterparts and thus are demanding more easy to operate, energy efficient and star-rated products.

The new and upcoming brands in the market have increased the competition in the consumer electronics sector and the offers and discounts provided by companies to stay in market is increasing day by day which is ultimately affecting the consumer preferences and the overall profitability of the Companies. The consumers have now become value conscious instead of brand conscious. The offers, deals and discounts are the most important criteria for buying consumer electronics.

To face the growing competition and price challenges, the Company is focused on e-advertising activity. "Digitization" is the new mantra to success for the business today. It marks a shift to an industrial revolution that is based on information economy. The generation today understands the language of e-communication; they are more dynamic. In today's world, information delayed is information decayed and thus, reaching the information to consumer-end at the earliest has become the most important aspect.

The Company is concentrating on e-advertisement apart from the traditional advertising.

### PRODUCT WISE PERFORMANCE

Consumer durables' is one of the fastest growing industry segments in India. The Indian consumer durables segment can broadly be segregated into consumer electronics (TVs, Set Top Boxes and Audio systems etc.) and consumer appliances (also known as white goods) like Refrigerators, Washing Machines, Air Conditioners, Microwave Ovens and Vacuum Cleaners. The business in which the company is dealing is of manufacturing and trading of the below mentioned products.

#### Washing Machines:

In the current scenario washing machines are no more a privilege. It has become an essential item in every house making the practice of washing clothes more intelligent, personalised and time saving. Also, the washing machines now-a-days are given an aesthetic touch that makes them look stylish trendy and user friendly. It has contributed significantly to automate household chores. The dependence on technology has increased considerably during the years. Thought process of people in direction of having a better lifestyle is facilitating trade and commerce. The washing machine has become a necessity in the daily lives of the people. Its demand has been increasing in India due to increasing availability of new innovative models in the market and increasing PPP of the Indian middle class families. It is no longer a luxury product but a utilitarian product. The market is flooded with numerous leading electronics brands presenting a huge variety of models to choose from. It is available from a normal large-sized look to more portable and stylish look such as top loading, front loading, fully automatic and semi-automatic. New innovative washing machines include Bluetooth technology and a messaging feature through which it can receive recommendations and control settings even when the user is away from home.

Growing disposable income and easy financing options have led to shortened replacement cycles whereas rising influence of modern lifestyle has perceived products such as washing machines as utility items rather than luxury goods. Penetration of washing machines is expected to increase in the coming years with sales from rural India. Demand for washing machines goes up during monsoons and there is a greater need among urban and metro consumers to upgrade their machines during coming seasons. Your Company continues to take up numerous projects to improve and innovate the existing line up in a big way.

Your Company introduced the concept of washing machines in the Indian consumer durables market. The silver nano technology of washing machines has

gained immense popularity all around the globe. Thereafter, it has expanded in the following categories: - Fully Automatic, Top loading, Front loading, with presence across all segments ranging from 5.5 Kg to 10 Kg. With the continuous change in the business environment and positive sentiments in market, this product is going to grow rapidly and take big strides. The Washing Machine not only has become a day to day life requirement but also symbolizes the status and environmental awareness of the users.

Your Company is focusing on introduction of smart and stylish Front Loading, Top loading, Fully Automatic and Semi-Automatic washing machines which are user friendly, with tangible usability features utilizing lesser resources and provide excellent wash performance. The brand has been consistent in maintaining its market image, share and retaining shelf space presence across dealer counter through its 3-pronged product strategy integrated with Distribution & Marketing Strategy based on evolving market dynamics. The company focuses on the below factors that results in increasing sales:

- **Customer Centric:** Deep customer understanding, Caters to all segments
- **Cost Effective:** Operational excellence with strong backward integration results in cost reduction
- **Feature Packed:** Jog dial controls, centre fall spin showers, sensors, Hidden display technology, etc.
- **Innovative:** Launch of designer series, Use of Vibrant colors
- **Eco Friendly:** Compliance with latest industry guidelines

The products which are introduced recently have following features:

- Technologically advanced DigiOne Washing Machine 7.5 kg with no knobs and buttons and has a Touch screen Panel.
- Classic range of Careen Elite Series from 6.5 kg to 7.0 kg is the slimmest Front Load fully automatic Washing Machine.
- Upgraded range of Digi Zara Series from 7.0 kg to 8.0 kg is the Designer Slim series of Semi-Automatic Washing Machines with a 4 wash Program, Auto soak feature, High Gloss Top Look and PentaFin Pulsator.
- Upgraded range of Digi Pearl series from 6.2 kg to 7.0 kg FA Washing Machines with vibrant colors and aesthetically superior looks, multiple wash selection option, lesser water consumption and higher performance.
- Upgraded range of DigiGracia series from 5.5 kg to 6.5 kg FA Washing Machines with vibrant colors and aesthetically superior looks, water saver function, multiple wash selection option, lesser water consumption and higher performance.
- Gracia, Qunata and Niwa series semiautomatic washing machines with modern features and trendy looks.
- Widest range of Semi-Automatic Machines in Industry from 6.0 kg to 9.0 kg capacity to cater to needs of various segments of market and fulfilling requirements of wide spectrum of the consumers.
- Wide range of Fully Automatic & Front Load Machines from 5.5 kg to 7.8 kg capacity.

Your company enjoyed the USP of 1st mover advantage. It is the 1st Indian Company to bring

- a. Twin Tub Washing Machines
- b. Fully Automatic Washing Machines
- c. India's first star rated washing machine (4-FATL 5-FAFL)
- d. First company to get AIR WASH in India
- e. 4 wash programme in semi-automatic washing machine

The USP of your Washing Machine has always been Technology innovation driven through Customer Needs packed by features like, Rust Proof body, Germ free, No knobs no Buttons, Steel Drum and many more.

Continuous Innovation is possible only because the Research and Development (R&D) is continuously upgrading its systems and working on new projects of FAFL, FATL & SATL machines which are modern, eco-friendly which use lesser water and detergents, affordable and value for money to cater to wider range of consumer's

needs and their ever-changing aspirations. Bureau of Energy Efficiency (BEE) is the nodal body under the Union Power Ministry that implements energy rating norms. All washing machines offered by your Company are BEE star rated, which highlights the energy efficiency of the product.

#### Refrigerators:

Rising household income, improving living standards, rapid urbanization, increasing number of nuclear families, large untapped market and environmental changes are major growth drivers for the refrigerator industry. Refrigerator market in India is one of the fastest growing segments of the consumer durable industry. The utility and the need of refrigerator is felt 365 days in a year, and hence has become an indispensable item of every household. Moreover, due to the hot and humid weather conditions in the country, the necessity of the product has increased manifold.

Besides magical synthesis of design and performance, your refrigerators are compact outside and roomy inside. Entirely new range of High Efficiency Titanium Series FF Refrigerators having capacity 250L, 280L & 330L are launched this year with New Look as "It is not just a Freezer It is a Deep Freezer with unmatched cooling efficiency of -30°C".

Following are the eye-catching features of some of the latest models:-

- India's most energy Efficient, certified by Government of India;
- Titanium Series "The future of Refrigerators" with digital control panel;
- India's 1<sup>st</sup> "Photosis Fresh" technology for keeping food fresh for longer time;
- "Fast Ice" function for making Ice quickly in freezer compartment ;
- "Cool Booster" for retaining cooling during power cut;
- Specially designed "Ice Zone" ;
- "Twin Drawer Base" for keeping Onion, potato, garlic in DC refrigerator;
- "Health & Care" box for keeping medicines & cosmetics;
- "Steel Bottle Rack" for keeping additional water, juice, wine bottles;
- "Soft Veg Crisper" is a special compartment for keeping delicate fruits & vegetables;
- "Veg Extractor" in crisper for making partition between vegetables & storage of Lemon, Ginger, Chilly, etc;
- "Deodorizer" for eliminating bad smells & preservice food's original aroma;
- "Bottle separator" for separating & supporting bottles;
- VCM (Vinyl Coated Material Steel Sheet) & PCM (Pre Coated Material Steel Sheet), Door Finish with Stylish Flush Look;
- Safety Glass Shelves;
- Up to bottom foaming for Strong Refrigerator cabinet; and
- Humidity Controlled Crisper.

**Future Plan:** GST regime will help reducing the logistics and inventory handling costs. It will also reduce the price differential between products of organised players and those of their competitors in the unorganised space. We will be launching our product range with energy efficient refrigerant gas R600a and at the same time necessary Plant facilities will be established to suit the manufacturing of the Products with R600a.

#### STRATEGY AND OUTLOOK

The new ACs are powered by quantum edge technology and are built to take on extreme temperatures as high as 55 degrees centigrade. With a big focus on technology, your company has re-aligned its product strategy and empowered the portfolio with advanced technologies. The demand for the products under the Consumer Appliances and Electronics segment will get a big push due to the pro growth initiatives of the Government such as passing of Goods and Services Tax Bill. Saturation is not where the industry is moving towards. Westernization is constantly exposing the Indian consumers of newer ideas and products thereby making change in expectation quite relevant.

The market is mainly driven by the increasing demand of room air conditioners in residential and commercial areas. Most of the current market for air conditioning systems is concentrated in Tier-I and Tier-II cities where construction activity is the highest. As a result of the growing momentum towards smart cities, it is expected

that the demand for air conditioning systems will continue to grow. Your Company will have to supplement Quality of products with aesthetics. As the youth of our Country have started exploring multiple avenues for earning money, the appeal of the product will have to match their mindset.

The core values of Innovation, Accessible Technology and Enhancing Consumer Experience weave a strong connect with the target consumers. The Company plans to achieve this with a flexible strategy, powerful technology, productive management and a cutting edge online presence.

#### OPPORTUNITIES AND THREATS

The Company offers durables that are not subject to frequent change by the consumers. The consumers have to be satisfied about the quality and technology of the product to be able to make a second purchase of the same brand. Presently the Inputs for the Consumer Electronics & Home Appliances sector are not available through indigenous sources and have to be imported. This is a big handicap and adds to the cost of manufacturing final product. Greater emphasis should be laid by Govt. to encourage component Industry. If the inputs are available, at competitive price indigenously, it will help in growth of CE&HA industry. It will also result in greater value addition within the country, building similar eco system for the country and creating huge employment opportunities. Likewise, the Company is optimistic about its future in the industry but also understands and perceives certain threats as well.

#### Opportunities:

- In India, the penetration level of white goods is lower as compared to other developing countries.
- Unexploited Rural Market.
- Rapid Urbanization.
- Increase in Purchasing Power of Consumers.
- Increase in per capita income of the citizens.
- Urban penetration has been pretty high for the entire sector.
- Growth potential lies in rural and semi-urban areas, fueling industry growth through first-time sales. Currently, rural areas contribute 10% of sales. There is a strong need to create demand.
- Consumer's faith and reliability in the new political set up of our Country.

#### Threats:

- Higher import duties on raw materials imposed.
- Cheap imports from Singapore, China and other Asian countries.
- Inability to respond to dynamic consumer behaviour.
- Identifying, attracting and retaining human capital.
- Continuous changing technology.
- High inflation resulting in increase in procurement costs.
- Competition by foreign entities.
- Matching the sustainability of a product with its cost.

#### RISKS AND CONCERNS

The Company has been able to identify probable risks and concerns that require focus. However, most of them being uncontrollable, suitable defences to minimise the effects are proposed to be taken by the Company.

Risks associated with the nature of business of the Company:

- Intense competition.
- Low-growth consumer markets.
- Following demonetization, consumer confidence has fallen, and this needs to be revived to augur consumption.
- Rising cost and input prices.
- Global political instability.
- Continuous changing technology.
- Increasing formalities with respect to claiming warranty.
- Increasing number of participants.
- Inability to respond to dynamic consumer behavior.
- Unstable Compliance and Regulatory Policies.



### INTERNAL CONTROL SYSTEM

A good internal control system facilitates proper governance in an organization. The internal control system of the Company works on a system of 'checks and balances'. The Company's internal control systems commensurate with the nature of its business and the size and complexity of its operations which are routinely tested and certified by Statutory Auditors. The Company reviews the system through an independent perspective and looks for corrective action.

The internal control system is supplemented by internal audits, regular reviews by management and policies to ensure reliability of financial and all other records to prepare financial statements, constitution of cost control committees, etc. These controls have been designed to provide a reasonable degree of certainty with regard to maintenance of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations and for ensuring reliability of financial reporting. The Company strives to adopt globally recognized practices in this regard.

### FINANCIAL PERFORMANCE

#### Income:

##### Revenue from Operations

During the year under review, the Company achieved Gross Revenue of ₹ 11,992.07 Million as against ₹ 19,991.15 Million for the 15 months period ended on 31st March, 2016.

##### Other Income

Other Income amounted to ₹ 41.48 Million for the year ended 31st March, 2017 and ₹ 95.33 Million for the 15 months period ended on 31st March, 2016. Other income comprises of interest income, profit on sale of fixed assets, insurance claim received, exchange rate fluctuations and other non operating income.

#### Expenditure:

##### Cost of Goods Consumed/Sold

Cost of Goods Consumed/sold amounted to ₹ 9,675.28 Million for the year ended on March 31, 2017, as against ₹ 15,866.61 Million for the 15 months period ended on 31st March, 2016.

##### Employee Benefits Expenses

During the year under review, employee benefit expenses were ₹ 273.65 Million as against ₹ 491.13 Million for the 15 months period ended on 31st March, 2016.

##### Other Expenses

During the year under review, the Other Expenses were ₹ 632.27 Million as against ₹ 1,030.48 Million for the 15 months period ended on 31st March, 2016.

##### Finance Costs

For the year under review, finance costs amounted to ₹ 979.85 Million as against ₹ 1,199.06 Million for the 15 months period ended on 31st March, 2016.

##### Depreciation and Amortization

Depreciation and Amortization amounted to ₹ 695.23 Million as against ₹ 990.58 Million for the 15 months period ended on 31st March, 2016.

##### Loss Before Tax

The Loss before Tax for the current year amounted to ₹ 849.88 Million as against a loss of ₹ 390.56 Million for the 15 months period ended on 31st March, 2016.

##### Net Loss

Net Loss of the Company for the current year amounted to ₹ 590.08 Million as against a Net loss of ₹ 333.86 Million for the 15 months period ended on 31st March, 2016.

### Earnings Per Share

Earnings Per Share for the current year amounted to ₹ (15.06) as against ₹ (8.52) for the 15 months period ended on 31st March, 2016.

### HUMAN RESOURCE MANAGEMENT

The success of an organization largely depends upon the quantity and quality of the Human Resource that is able to attract and retain. Human Resource are one of the most vital assets of an organization. It is the people who make the resources moving. The Placement of Right kind of people in Right Number at the Right place and Right time is the basic function of Human Resource.

The Company strives to promote and maintain a healthy and harmonious relations at all the echelons of management. The Company also believes that improving work acumen of employees in office will put them in a better position to meet the Company's endeavour.

For this, the Company has a Human Resource Management Team which focuses on improving the productivity of an employee. Various initiatives such as career planning, rewards, learning and development, growth and competitions are adopted in this pursuit. The Company's engagement with its employees is value based which is reinforced through a process of integrating employees of various departments.

The Company has developed a Human Resource Development plan with the parameters to achieve excellent rank. This is to ensure a common feeling of belongingness in the minds of employees.

The Company continues to act amicably with its work force and believes a good and happy workforce to be its paramount strength.

Besides there are lot of HR Good Practices which are being organized from time to time at the Company. The prime objective of these initiatives is to break the monotonous life and have a joyful working culture. It imbibes that at the end of the day, an employee while returning back to his residence should go happily. He should have the premium job satisfaction while on job and that is what HR department strives here at the Company.

Some HR Best practices for employee bonding are:

- Hot T Seminar – Monthly event – An expert shares his experience in a forum.
- First weekend Celebrations – Monthly event.
- Smiley Concept – Instantly recognition.
- Rewards & Recognitions – Monthly, Quarterly & Yearly mode.

The total staff strength of the Company for the financial year ended 31<sup>st</sup> March, 2017 is around 600.

### CAUTIONARY STATEMENT

*Statements in this report describe the Company's objectives, projections, estimates, expectations and predictions, may be 'forward looking statements' within the meaning of applicable securities, laws and regulations. Actual results could differ materially from those expressed or implied. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise.*

## INDEPENDENT AUDITORS' REPORT

To,  
The Members of

**VALUE INDUSTRIES LIMITED**

### Report on the Financial Statements

We have audited the accompanying financial statements of **VALUE INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by 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 31<sup>st</sup> March, 2017, and its loss and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit, 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 purpose 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 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 Accounting Standards prescribed under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting 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 over financial reporting.
  - g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 33 and 35 to the financial statements.
    - (ii) The Company has not entered into any long-term contracts including derivatives contracts for which provision is required to be made for the 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) The Company has provided requisite disclosures in the financial statements as to its holdings and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8<sup>th</sup> November, 2016 of the Ministry of Finance, during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on audit procedures and relying on the management representation provided to us, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management – Refer Note No. 40.

For **KHANDELWAL JAIN & CO.**  
Chartered Accountants  
(Firm Registration No.: 105049W)

For **KADAM & CO.**  
Chartered Accountants  
(Firm Registration No.: 104524W)

**BHUPENDRA Y. KARKHANIS**  
Partner  
Membership No.: 108336

**U. S. KADAM**  
Partner  
Membership No.: 31055

Place : Mumbai  
Date : 30<sup>th</sup> May, 2017

## ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

(i) In respect of fixed assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As per the information and explanations given to us, physical verification of fixed assets has been carried out in terms of the phased programme of verification adopted by the Company and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable, having regard to the size of the Company and nature of its business.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

- (b) As per information and explanation given to us, no material discrepancies were noticed.

(iii) As per the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.

(iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Section 186 of the Act, in respect of loans, investments, guarantees and security.

The Company has not entered into any transaction that attracts provisions of Section 185 of the Act.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. Therefore, the provisions of clause (v) of the Order is not applicable.

(vi) According to the information and explanations given to us, in our opinion, the Company has, prima facie, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under section 148(1) of the Companies Act, 2013. We have however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees’ state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues wherever applicable. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as on 31<sup>st</sup> March, 2017 for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, details of dues of income tax, sales tax, service tax, custom duty, excise duty, value added tax, cess which have not been deposited as on 31<sup>st</sup> March, 2017 on account of disputes are given below:

Name of Statute	Nature of the Dues	Amount (₹ in Million)	Forum where dispute is pending
1. Customs Act, 1962	Custom Duty (including penalty)	4.37 5.46	Commissioner Asst. Commissioner
2. Central Excise Act, 1944	Excise Duty (including penalty)	1.00 91.63 2.81 0.49	CESTAT Commissioner Addl. Commissioner Asst. Commissioner

Name of Statute	Nature of the Dues	Amount (₹ in Million)	Forum where dispute is pending
3. Finance Act, 1994 (Service tax Provisions)	Service Tax	1.00	Asst. Commissioner
4. Sales Tax Act of various States	Sales Tax	0.37 0.22 0.12 48.03 1.23 3.58	Addl. Commissioner (Appeal) Addl. Deputy Commissioner (Appeal) Joint Commissioner Joint Commissioner (Appeal) Deputy Commissioner Tribunal
5. Income Tax Act, 1961	Income Tax	65.00	CIT (Appeal)

(viii) According to the information and explanation given to us and on the basis of our examination of the records of the Company, we observed that, the Company has defaulted in repayment of loans to financial institutions and banks as summarised below:

Particulars	Principal Amount (₹ in Million)	Interest Amount (₹ in Million)	Delay in Days-Range
Amount paid before the year end	46.28	131.41	1 to 90 Days
Amount outstanding as at 31 <sup>st</sup> March, 2017	11.59	14.18	1 to 60 Days

The Company has not borrowed from Government and has not issued any debentures.

(ix) According to the information and explanations given to us, the term loans raised during the year were applied on an overall basis, for the purpose for which the loans were obtained.

The Company has not raised the money during the year by way of initial public offer or further public offer (including debt instruments).

(x) According to the information and explanations given to us, no material fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) The Company has not paid or provided the managerial remuneration to any of its Director.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) According to the information and explanation given to us and on the basis of our examination of the records of the Company, we observed that, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards.

(xiv) According to the information and explanation given to us and on the basis of our examination of the records of the Company, we observed that, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanation given to us and on the basis of our examination of the records of the Company, we observed that, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the Clause (xvi) of paragraph 3 of the Order is not applicable to the Company.

For **KHANDELWAL JAIN & CO.**  
Chartered Accountants  
(Firm Registration No.: 105049W)

For **KADAM & CO.**  
Chartered Accountants  
(Firm Registration No.: 104524W)

**BHUPENDRA Y. KARKHANIS**  
Partner  
Membership No.: 108336

**U. S. KADAM**  
Partner  
Membership No.: 31055

Place : Mumbai  
Date : 30<sup>th</sup> May, 2017

## ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

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

We have audited the internal financial controls over financial reporting of **VALUE INDUSTRIES LIMITED** (“the Company”) as of 31<sup>st</sup> March, 2017 in conjunction with our audit of the standalone 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 over financial reporting 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 over financial reporting 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgement, 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 over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting 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 over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2017, based on the internal control over financial reporting 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 **KHANDELWAL JAIN & CO.**  
Chartered Accountants  
(Firm Registration No.: 105049W)

For **KADAM & CO.**  
Chartered Accountants  
(Firm Registration No.: 104524W)

**BHUPENDRA Y. KARKHANIS**  
Partner  
Membership No.: 108336

**U. S. KADAM**  
Partner  
Membership No.: 31055

Place : Mumbai  
Date : 30<sup>th</sup> May, 2017

## BALANCE SHEET AS AT 31ST MARCH, 2017

(₹ in Million)

Particulars	Note No.	As at 31st March 2017	As at 31st March 2016
<b>I. EQUITY AND LIABILITIES</b>			
1) <b>Shareholders' Funds</b>			
a) Share Capital	2	391.86	391.86
b) Reserves and Surplus	3	1,468.15	2,058.23
		<u>1,860.01</u>	<u>2,450.09</u>
2) <b>Grant for Ozone Projects</b>	4	29.17	35.38
3) <b>Non-Current Liabilities</b>			
a) Long Term Borrowings	5	2,071.85	2,164.51
b) Deferred Tax Liability (Net)	6	222.10	481.90
c) Long Term Provisions	7	11.54	13.21
		<u>2,305.49</u>	<u>2,659.62</u>
4) <b>Current Liabilities</b>			
a) Short Term Borrowings	8	8,795.09	8,226.45
b) Trade Payables	9		
- Micro, Small and Medium Enterprises		26.69	110.77
- Others		1,677.19	1,588.56
c) Other Current Liabilities	10	356.55	244.04
d) Short Term Provisions	11	58.05	62.90
		<u>10,913.57</u>	<u>10,232.72</u>
<b>TOTAL</b>		<u><u>15,108.24</u></u>	<u><u>15,377.81</u></u>
<b>II. ASSETS</b>			
1) <b>Non-Current Assets</b>			
a) Fixed Assets			
i) Tangible Assets	12	5,654.37	5,469.13
ii) Intangible Assets	12	0.01	3.26
iii) Capital work-in-progress	12	96.65	186.98
b) Non-Current Investments	13	359.15	359.15
c) Long Term Loans and Advances	14	77.58	76.41
		<u>6,187.76</u>	<u>6,094.93</u>
2) <b>Current Assets</b>			
a) Inventories	15	5,862.04	6,144.93
b) Trade Receivables	16	2,453.14	2,460.64
c) Cash and Bank Balances	17	152.66	223.04
d) Short Term Loans and Advances	18	445.93	447.41
e) Other Current Assets	19	6.71	6.86
		<u>8,920.48</u>	<u>9,282.88</u>
<b>TOTAL</b>		<u><u>15,108.24</u></u>	<u><u>15,377.81</u></u>
<b>Significant Accounting Policies</b>	1		
<b>Notes forming part of the Financial Statements</b>	2 to 41		

As per our report of even date

For **KHANDELWAL JAIN & CO.**  
Chartered Accountants  
(Firm Registration No.: 105049W)

For **KADAM & CO.**  
Chartered Accountants  
(Firm Registration No.: 104524W)

For and on behalf of the Board

**B. S. KAKADE**  
Director  
DIN: 06383819

**BHUPENDRA Y. KARKHANIS**  
Partner  
Membership No.: 108336

**U. S. KADAM**  
Partner  
Membership No.: 31055

**SUMIT MISHRA**  
Company Secretary  
Membership No.: A39561

**N. B. MANDHANA**  
Director  
DIN: 01222013

Place : Mumbai  
Date : 30<sup>th</sup> May, 2017

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2017

(₹ in Million)			
Particulars	Note No.	Year ended on 31st March, 2017	15 Months ended on 31st March, 2016
<b>I. Income</b>			
Revenue from Operations	20	11,992.07	19,991.15
Less: Excise Duty		627.15	899.18
Net Revenue from Operations		11,364.92	19,091.97
Other Income	21	41.48	95.33
<b>Total Income</b>		<b>11,406.40</b>	<b>19,187.30</b>
<b>II. Expenses</b>			
Cost of Materials Consumed	22	4,614.90	7,220.20
Purchase of Stock-in-Trade	23	5,055.12	8,589.35
Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	24	5.26	57.06
Employee Benefits Expense	25	273.65	491.13
Finance Costs	26	979.85	1,199.06
Depreciation and Amortisation Expense	12	695.23	990.58
Other Expenses	27	632.27	1,030.48
<b>Total Expenses</b>		<b>12,256.28</b>	<b>19,577.86</b>
<b>III. Profit/(Loss) Before Tax</b>		<b>(849.88)</b>	<b>(390.56)</b>
<b>IV. Tax Expenses</b>			
Current Tax		-	-
Deferred Tax		(259.80)	(42.31)
(Excess)/Short Provision of Income Tax for earlier years		-	(14.39)
<b>V. Profit/(Loss) for the Year/Period</b>		<b>(590.08)</b>	<b>(333.86)</b>
<b>VI. Earnings per Equity Share of face value ₹ 10/- each</b>			
Basic and Diluted	28	(15.06)	(8.52)
<b>Significant Accounting Policies</b>	1		
<b>Notes forming part of the Financial Statements</b>	2 to 41		

As per our report of even date

For **KHANDELWAL JAIN & CO.**  
Chartered Accountants  
(Firm Registration No.: 105049W)

For **KADAM & CO.**  
Chartered Accountants  
(Firm Registration No.: 104524W)

For and on behalf of the Board

**B. S. KAKADE**  
Director  
DIN: 06383819

**BHUPENDRA Y. KARKHANIS**  
Partner  
Membership No.: 108336

**U. S. KADAM**  
Partner  
Membership No.: 31055

**SUMIT MISHRA**  
Company Secretary  
Membership No.: A39561

**N. B. MANDHANA**  
Director  
DIN: 01222013

Place : Mumbai  
Date : 30<sup>th</sup> May, 2017



## CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2017

(₹ in Million)

Particulars	Year ended on 31st March, 2017	15 Months ended on 31st March, 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before Tax	(849.88)	(390.56)
Adjustments for:		
Depreciation and Amortisation	695.23	990.58
Finance Costs	979.85	1,199.06
Provision for Warranty and Maintenance Expenses	(4.43)	1.54
Provision for Gratuity	(3.56)	(0.62)
Provision for Leave Encashment	1.47	(1.02)
Interest Received	(18.95)	(26.75)
Loss/(Income) from Investments and Securities Division	0.13	32.28
Loss/(Profit) on Sale of Fixed Assets	0.08	(56.48)
Adjustment of Grant	(6.21)	(9.21)
<b>Operating Profit before Working Capital Changes</b>	<b>793.73</b>	<b>1,738.82</b>
Adjustments for:		
Inventories	282.89	70.43
Trade Receivables	7.50	16.46
Loans and Advances	3.17	(4.09)
Other Current Assets	0.15	(0.35)
Trade Payables	4.55	(72.78)
Other Current/Long Term Liabilities	78.95	(94.98)
Cash generated from Operations	1,170.94	1,653.51
Less: Taxes Paid/(Refund)-net	2.86	8.88
<b>Net Cash from Operating Activities</b>	<b>(A) 1,168.08</b>	<b>1,644.63</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Fixed Assets	0.61	71.38
Purchase of Fixed Assets (Including Capital Work-in-Progress)	(787.58)	(22.57)
Grant received for Ozone Projects	-	37.91
Interest Received	18.95	26.75
(Increase) in Fixed Deposits and Other Bank Balances	9.65	(29.65)
Income from Investments and Securities Division	(0.13)	(32.28)
(Increase)/Decrease in Investments (Net)	-	85.96
<b>Net Cash from/(used in) Investing Activities</b>	<b>(B) (758.50)</b>	<b>137.50</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) in Long Term Borrowings	(57.88)	(36.26)
Increase/(Decrease) in Short Term Borrowings	568.64	(503.25)
Finance Costs	(979.85)	(1,199.06)
Payment of Dividend	(1.22)	(1.15)
<b>Net Cash (used in) Financing Activities</b>	<b>(C) (470.31)</b>	<b>(1,739.72)</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>(A+B+C) (60.73)</b>	<b>42.41</b>
Cash and Cash Equivalents at the beginning of the year/period	77.91	35.50
Cash and Cash Equivalents at the end of the year/period	17.18	77.91
Other Bank Balances	135.48	145.13
<b>Cash and Bank Balances at the end of the year/period</b> (Note No. 17)	<b>152.66</b>	<b>223.04</b>

As per our report of even date

For and on behalf of the Board

For **KHANDELWAL JAIN & CO.**  
Chartered Accountants  
(Firm Registration No.: 105049W)

For **KADAM & CO.**  
Chartered Accountants  
(Firm Registration No.: 104524W)

**B. S. KAKADE**  
Director  
DIN: 06383819

**BHUPENDRA Y. KARKHANIS**  
Partner  
Membership No.: 108336  
Place : Mumbai  
Date : 30<sup>th</sup> May, 2017

**U. S. KADAM**  
Partner  
Membership No.: 31055

**SUMIT MISHRA**  
Company Secretary  
Membership No.: A39561

**N. B. MANDHANA**  
Director  
DIN: 01222013

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### A) Basis of Accounting

- a) The financial statements are prepared under the historical cost convention using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) including the mandatory Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014 and the Provisions of the Act.

- b) Use of Estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Example of such estimates include provisions for doubtful debts, employee retirement benefits plans, provision for income tax, provision for warranty cost and the useful lives of fixed assets. The difference between the actual results and estimates are recognised in the period in which the results are known and materialised.

#### B) Fixed Assets/Capital Work-in-Progress

- a) Fixed Assets are stated at cost, except for certain fixed assets which have been stated at revalued amounts, less accumulated depreciation/amortisation and impairment loss, if any. The cost is inclusive of freight, installation cost, duties, taxes, financing cost and other incidental expenses related to the acquisition and installation of the respective assets but does not include tax/duty credits availed.
- b) Capital Work-in-Progress is carried at cost, comprising of direct cost, attributable interest and related incidental expenditure.

#### C) Depreciation

Depreciation on fixed assets is provided to the extent of depreciable amount on the straight line method, based on useful life of assets as prescribed in Schedule II to the Companies Act, 2013, except depreciation on plant and machinery used in Refrigerator and Washing Machine Divisions which has been provided on written down value method based on useful life of 13 years as against useful life of 15 years as prescribed in Schedule II to the Companies Act, 2013.

Assets costing of ₹ 5,000 or less are fully depreciated in the year of purchase.

Intangible Assets are amortised over a period of five years.

#### D) Impairment of Assets

The Fixed Assets or a group of assets (cash generating units) are reviewed for impairment at each Balance Sheet date. In case of any such indication, the recoverable amount of these assets or group of assets is determined, and if such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the impairment loss is recognised by writing down such assets to their recoverable amount. An impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased.

#### E) Investments

Non Current Investments are stated at cost. The decline in the value of the investment, other than temporary, is provided for. Cost is inclusive of brokerage, fees and duties but excludes Securities Transaction Tax.

#### F) Inventories

Inventories are valued at cost or net realisable value whichever is lower. Cost of inventories comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

#### G) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an qualifying assets are capitalised as part of the cost of that assets. Other borrowing costs are recognised as an expense in the period in which they are incurred.

#### H) Excise and Customs Duty

Excise Duty in respect of finished goods lying in the factory premises and Customs Duty on goods lying in customs bonded warehouse are provided for and included in the valuation of inventory.

#### I) CENVAT/Value Added Tax

CENVAT/Value Added Tax benefit is accounted for by reducing the purchase cost of the materials/fixed assets/services.

#### J) Revenue Recognition

- a) Revenue is recognised on transfer of significant risk and reward in respect of ownership.
- b) Sales/Turnover for the year includes sales value of goods, excise duty, duty drawback and other recoveries such as insurance, transportation and packing charges but excludes sales tax, value added tax and recovery of finance and discounting charges.
- c) Insurance, Duty Drawback and other claims are accounted for as and when admitted by the appropriate authorities.
- d) Dividend on investments is recognised when the right to receive is established.

#### K) Foreign Currency Transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transactions. Foreign Currency Monetary Assets and Liabilities are translated at the year end rate. The difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of Monetary Items at the end of the year is recognised, as the case may be, as income or expense for the year.

#### L) Employee Benefits

- a) Short Term Employees Benefits

Short Term Employees Benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

### b) Post Employment Benefits

#### i) Provident Fund - Defined Contribution Plan

The Company contributes monthly at a determined rate. These contributions are remitted to the Employees' Provident Fund Organisation, India for this purpose and is charged to Statement of Profit and Loss on accrual basis.

#### ii) Gratuity - Defined Benefit Plan

The Company provides for gratuity to all the eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, on death while in employment, or termination of employment for an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs on completion of five years of service. Liability in respect of gratuity is determined using the projected unit credit method with actuarial valuations as on the Balance Sheet date and gains/losses are recognized immediately in the Statement of Profit and Loss.

#### iii) Leave Encashment

Liability in respect of leave encashment is determined using the projected unit credit method with actuarial valuations as on the Balance Sheet date and gains/losses are recognized immediately in the Statement of Profit and Loss.

### M) Taxation

Income tax comprises of current tax and deferred tax. Provision for current income tax is made on the assessable income/benefits at the rate applicable to the relevant assessment year. Deferred tax assets and liabilities are recognised for the future tax consequences of timing differences, subject to the consideration of prudence. Deferred tax assets and liabilities are measured using the tax rates enacted or substantively enacted by the Balance Sheet date. The carrying amount of deferred tax asset/liability are reviewed at each Balance Sheet date and recognised and carried forward only to the extent that there is a reasonable certainty that the asset will be realised in future.

Minimum Alternate Tax (MAT) paid on the book profits, which give rise to future economic benefits in the form of tax credit against future income-tax liability, is recognised as an asset in the Balance Sheet if there is convincing evidence that the Company will pay normal tax within the period specified for utilisation of such credit.

### N) Research and Development

Revenue Expenditure pertaining to Research and Development is charged to revenue under the respective heads of account in the year in which it is incurred. Capital expenditure, if any, on Research and Development is shown as an addition to Fixed Assets, under the respective heads.

### O) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources in respect of which reliable estimates can be made.

Contingent Liabilities are not recognised but are disclosed in the Notes to Financial Statements. Disputed demands in respect of Central Excise, Custom duty, Income tax, Sales tax and Other are disclosed as contingent liabilities. Payment in respect of such demands, if any, is shown as an advance, till the final outcome of the matter.

Contingent assets are not recognised in the financial statements.

### P) Warranty

Provision for the estimated liability in respect of warranty on sale of consumer electronics and home appliances products is made in the year in which the revenues are recognised, based on technical evaluation and past experience.

### Q) Government Grant

Grants are recognised when there is reasonable assurance that the grant will be received and conditions attached to them are complied with. Grants related to depreciable assets are treated as deferred income, which is recognised in the Statement of Profit and Loss over the period of useful life of the assets and in the proportions in which depreciation on related assets is charged.

### R) Prior period items

Prior period items are included in the respective heads of accounts and material items are disclosed by way of Notes to Financial Statements.

### S) Other Accounting Policies

These are consistent with the generally accepted accounting principles.

## 2. SHARE CAPITAL

#### Authorised:

55,000,000 (As at 31st March, 2016 - 55,000,000) Equity Shares of ₹ 10/- each  
7,500,000 (As at 31st March, 2016 - 7,500,000) Redeemable Preference Shares of ₹ 100/- each

#### Issued, Subscribed and Paid-up:

39,185,675 (As at 31st March, 2016 - 39,185,675) Equity Shares of ₹ 10/- each fully paid-up

(₹ in Million)		
	As at 31st March, 2017	As at 31st March, 2016
	550.00	550.00
	750.00	750.00
<b>Total</b>	<b>1,300.00</b>	<b>1,300.00</b>
	391.86	391.86
<b>Total</b>	<b>391.86</b>	<b>391.86</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

### 2.1 Reconciliation of the number of Shares:

#### Equity Shares of ₹ 10/- each

Outstanding at the beginning of the year/period

Add: Issued during the year/period

Outstanding at the end of the year/period

As at 31st March, 2017		As at 31st March, 2016	
No. of Shares	₹ in Million	No. of Shares	₹ in Million
39,185,675	391.86	39,185,675	391.86
-	-	-	-
39,185,675	391.86	39,185,675	391.86

### 2.2 Rights, preference and restrictions:

- The Company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of equity shares is entitled to equal right of voting and dividend.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### 2.3 Details of Shareholders holding more than 5% Shares:

#### Name of Shareholders

- Dome-Bell Electronics India Private Limited
- Waluj Components Private Limited
- Videocon Industries Limited

As at 31st March, 2017		As at 31st March, 2016	
No. of Shares	% of Holding	No. of Shares	% of Holding
4,498,495	11.48	4,498,495	11.48
2,606,478	6.65	2,606,478	6.65
1,971,973	5.03	1,971,973	5.03

## 3. RESERVES AND SURPLUS

### a) Capital Reserve (including Capital Subsidy)

As per last Balance Sheet

### b) Capital Redemption Reserve

As per last Balance Sheet

### c) Securities Premium Account

As per last Balance Sheet

### d) General Reserve

As per last Balance Sheet

### e) Surplus/(Deficit) in the Statement of Profit and Loss

As per last Balance Sheet

Add: Profit/(Loss) for the year/period

		(₹ in Million)	
		As at 31st March, 2017	As at 31st March, 2016
		3.64	3.64
(a)		3.64	3.64
		780.76	780.76
(b)		780.76	780.76
		899.03	899.03
(c)		899.03	899.03
		1,625.62	1,625.62
(d)		1,625.62	1,625.62
		(1,250.82)	(916.96)
		(590.08)	(333.86)
(e)		(1,840.90)	(1,250.82)
Total (a to e)		1,468.15	2,058.23

## 4. GRANT FOR OZONE PROJECTS

As per last Balance Sheet

Add: Received during the year/period

Less: Allocated to Income

Balance at the end of year/period

35.38	6.68
-	37.91
6.21	9.21
29.17	35.38

The Company has received a grant for Ozone Projects aggregating to ₹ Nil (Previous period ₹ 37.91 Million) from Ozone Cell, Ministry of Environment & Forests, Government of India for financing the machinery under the Ozone Project. As per the accounting policy followed by the Company, the grant received for Ozone Projects has been treated as "deferred income" to be recognised in the Statement of Profit and Loss over the useful life of the assets under the Ozone Projects.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

(₹ in Million)

## 5. LONG-TERM BORROWINGS

## Secured

Rupee Term Loans from Banks

	As at 31st March, 2017		As at 31st March, 2016	
	Non-Current	Current	Non-Current	Current
	2,071.85	104.25	2,164.51	69.47
<b>Total</b>	<b>2,071.85</b>	<b>104.25</b>	<b>2,164.51</b>	<b>69.47</b>

## 5.1 Secured Loans - Rupee Term Loans from Banks:

The Company alongwith 12 other affiliates/entities (collectively referred to as 'Obligors' and individually referred to as 'Borrower') executed facility agreement with consortium of existing domestic rupee term lenders (RTL Lenders), in the obligor/co-obligor structure, wherein all the Rupee Term Loans of the Obligors are pooled together. The Borrower entities covered are Value Industries Limited, Videocon Industries Limited (VIL), Trend Electronics Limited, KAIL Limited, Millennium Appliances India Limited, Applicomp (India) Limited, Sky Appliances Limited, Techno Electronics Limited, Century Appliances Limited, PE Electronics Limited, Techno Kart India Limited, Evans Fraser and Co. (India) Limited and Electroworld Digital Solutions Limited (formerly Videocon International Electronics Limited).

Further, Videocon Telecommunications Limited (VTL), subsidiary of Videocon Industries Limited had availed financial assistance from consortium of Banks/ Financial Institutions (VTL Lenders). It has been agreed between the RTL Lenders and VTL Lenders to share the security available to the RTL Lenders under the RTL Agreement (including the receivables from each of the Obligors) with the VTL Lenders under the VTL facility agreement (including the receivables from VTL) on a reciprocal first *pari-passu* charge basis. Thus, VTL is also inducted as co-obligor in the said facility agreement with the consortium of RTL Lenders.

Rupee Term Loans from Banks are secured by first *pari-passu* charge on all present and future tangible/intangible assets of each of the Borrower, first *pari-passu* charge on the Trust and Retention Accounts of the Borrowers, second *pari-passu* charge on Identified Assets of Videocon Hydrocarbon Holdings Limited's (VHHL) subsidiaries through pledge of entire shareholding of VHHL in these overseas subsidiaries, second charge on pledge of 100% shares of Videocon Oil Ventures Limited and VHHL held by VIL, second *pari-passu* charge on VHHL's share of cash flows from Identified Assets and second *pari-passu* charge over current assets of each of the Borrowers. The Rupee Term Loans are also secured by first ranking pledge over specified numbers of equity shares of Videocon Industries Limited, Trend Electronics Limited and Value Industries Limited held by the promoters, the personal guarantee of Mr. Venugopal N. Dhoot, Mr. Pradipkumar N. Dhoot, Mr. Rajkumar N. Dhoot and first *pari-passu* charge on 'Videocon' brand (Also refer Note No. 34).

(₹ in Million)

## 5.2 Maturity Profile:

Financial Year 2018-19  
Financial Year 2019-20  
Financial Year 2020-21  
Financial Year 2021-22  
Financial Year 2022-23

Secured
Rupee Term Loans from Banks
301.06
578.75
578.75
523.10
90.19

## 5.3 The Company has made certain defaults in repayment of long term loans and interest. The details of continuing defaults as at 31st March, 2017 are as follows:

Particulars	₹ in Million	Period of Delays
Principal amount of Term Loans	11.59	1 to 60 Days
Interest on Term Loans	14.18	1 to 60 Days

(₹ in Million)

## 6. DEFERRED TAX LIABILITY (Net)

- a) Deferred Tax Liability  
Related to Depreciation on Fixed Assets and Amortisation
- b) Deferred Tax Assets  
i) Expenses charged in the financial statements but allowable as deduction in future years under the Income Tax Act, 1961  
ii) Related to unabsorbed depreciation and losses  
iii) Due to effect of Income Computation and Disclosure Standards

	As at 31st March, 2017	As at 31st March, 2016
(a)	842.87	891.10
	842.87	891.10
(b)	54.85	20.94
	556.27	388.26
	9.65	-
(b)	620.77	409.20
(a-b)	222.10	481.90

Net Deferred Tax Liability

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

(₹ in Million)		
	As at 31st March, 2017	As at 31st March, 2016
<b>7. LONG-TERM PROVISIONS</b>		
Provision for Gratuity (Refer Note No. 31B)	4.97	8.08
Provision for Leave Encashment (Refer Note No. 31B)	6.57	5.13
<b>Total</b>	<b>11.54</b>	<b>13.21</b>
<b>8. SHORT-TERM BORROWINGS</b>		
<b>Secured</b>		
Working Capital Loans from Banks	4,395.09	4,326.45
<b>(a)</b>	<b>4,395.09</b>	<b>4,326.45</b>
<b>Unsecured</b>		
Loans repayable on demand: From Others	4,400.00	3,900.00
<b>(b)</b>	<b>4,400.00</b>	<b>3,900.00</b>
<b>Total (a+b)</b>	<b>8,795.09</b>	<b>8,226.45</b>

8.1 Working Capital Loans from Banks are secured against hypothecation of the Company's stock of raw materials, packing materials, stock-in-process, finished goods, stores and spares, book debts and other current assets of the Company. The loans are further secured by personal guarantee of Mr. Venugopal N. Dhoot, Mr. Rajkumar N. Dhoot and Mr. Pradipkumar N. Dhoot.

(₹ in Million)		
	As at 31st March, 2017	As at 31st March, 2016
<b>9. TRADE PAYABLES</b>		
Micro, Small and Medium Enterprises	26.69	110.77
Others	1,677.19	1,588.56
<b>Total</b>	<b>1,703.88</b>	<b>1,699.33</b>
<b>9.1 Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006 :</b>		
a) Principle amount remaining unpaid as at the end of the year/period	26.69	110.76
b) Interest due thereon as at the end of the year/period	0.25	0.11
c) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the suppliers beyond the appointed day during the year/period	3.11	1.58
d) Interest due and payable for the period of delay in making payment	0.25	0.11
e) Interest accrued and remaining unpaid at the end of the year/period	0.25	0.11
f) Further interest remaining due and payable even in the succeeding years, untill such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

Note: This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such vendors/parties have been identified on the basis of information available with the Company.

(₹ in Million)		
	As at 31st March, 2017	As at 31st March, 2016
<b>10. OTHER CURRENT LIABILITIES</b>		
Current maturities of Long Term Borrowings (Refer Note No. 5)	104.25	69.47
Bank Overdraft as per Books	0.44	-
Interest accrued but not due on Borrowings	8.88	14.88
Interest accrued and due on Borrowings	14.18	13.87
Unclaimed Dividend	4.06	5.28
Other Payables	224.74	140.54
<b>Total</b>	<b>356.55</b>	<b>244.04</b>
<b>11. SHORT-TERM PROVISIONS</b>		
Provision for Warranty and Maintenance Expenses (Refer Note No. 30)	54.28	58.71
Provision for Gratuity (Refer Note No. 31B)	3.34	3.79
Provision for Leave Encashment (Refer Note No. 31B)	0.43	0.40
<b>Total</b>	<b>58.05</b>	<b>62.90</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

### 12. FIXED ASSETS

(₹ in Million)

Particulars	Gross Block			Depreciation/Amortisation/Impairment				Net Block		
	As at 31st March, 2016	Additions	Deductions/ Adjustments	As at 31st March, 2017	As at 31st March, 2016	For the year	Deductions/ Adjustments	As at 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
<b>i) Tangible Assets</b>										
Freehold Land	8.14	-	-	8.14	-	-	-	-	8.14	8.14
Building	1,620.58	187.99	-	1,808.57	575.46	32.45	-	607.91	1,200.66	1,045.12
Plant and Machinery	16,055.34	688.64	8.83	16,735.15	11,731.37	643.34	8.14	12,366.57	4,368.58	4,323.97
Electrical Installation	108.08	1.16	-	109.24	96.57	1.56	-	98.13	11.11	11.51
Computers	39.83	0.12	-	39.95	38.85	0.36	-	39.21	0.74	0.98
Furniture and Fixtures	123.93	-	-	123.93	55.43	9.96	-	65.39	58.54	68.50
Office Equipments	35.53	-	-	35.53	26.98	3.72	-	30.70	4.83	8.55
Vehicles	12.96	-	-	12.96	10.60	0.59	-	11.19	1.77	2.36
<b>Total (i)</b>	<b>18,004.39</b>	<b>877.91</b>	<b>8.83</b>	<b>18,873.47</b>	<b>12,535.26</b>	<b>691.98</b>	<b>8.14</b>	<b>13,219.10</b>	<b>5,654.37</b>	<b>5,469.13</b>
<b>ii) Intangible Assets</b>										
Computer Software	38.02	-	-	38.02	34.76	3.25	-	38.01	0.01	3.26
<b>Total (ii)</b>	<b>38.02</b>	<b>-</b>	<b>-</b>	<b>38.02</b>	<b>34.76</b>	<b>3.25</b>	<b>-</b>	<b>38.01</b>	<b>0.01</b>	<b>3.26</b>
<b>Total (i+ii)</b>	<b>18,042.41</b>	<b>877.91</b>	<b>8.83</b>	<b>18,911.49</b>	<b>12,570.02</b>	<b>695.23</b>	<b>8.14</b>	<b>13,257.11</b>	<b>5,654.38</b>	<b>5,472.39</b>
Previous period as at 31st March, 2016	17,939.34	124.08	21.01	18,042.41	11,585.55	990.58	6.11	12,570.02	5,472.39	
<b>iii) Capital Work-in-Progress</b>	<b>186.98</b>			<b>96.65</b>					<b>96.65</b>	<b>186.98</b>

(₹ in Million)

### 13. NON-CURRENT INVESTMENTS

#### QUOTED

##### In Equity Shares (Fully Paid-up) - Trade

Videocon Industries Limited

₹ 10	35,411	7.61	35,411	7.61
		7.61		7.61

##### In Equity Shares (Fully Paid-up) - Others

Punj Lloyd Limited

₹ 2	500	0.03	500	0.03
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Sri Laxmi Saraswati Textiles Limited

₹ 10	11,800	0.16	11,800	0.16
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Hindustan Adhesive Limited

₹ 10	14,200	0.09	14,200	0.09
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India Steel Works Limited

₹ 1	7,500	0.02	7,500	0.02
		0.30		0.30

#### UNQUOTED

##### In Equity Shares (Fully Paid-up) - Trade

Applicomp (India) Limited

₹ 10	22,970,000	229.70	22,970,000	229.70
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Century Appliances Limited

₹ 10	990,000	9.90	990,000	9.90
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Force Appliances Private Limited

₹ 10	1,360,000	54.00	1,360,000	54.00
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Indian Refrigerator Company Limited

₹ 10	849,930	8.50	849,930	8.50
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Millennium Appliances India Limited

₹ 10	10,000	0.10	10,000	0.10
		302.20		302.20

##### In Equity Shares (Fully Paid-up) - Others

Digital Display Devices S.p.A.

€ 1	36,000	1.956	36,000	1.956
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Holzmann Videocon Engineers Limited

₹ 10	340,600	-	340,600	-
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Jupitor Corporation Inc.

US\$ 1	190	0.008	190	0.008
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Kores (India) Limited

₹ 10	610,000	0.305	610,000	0.305
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Mars Overseas Limited

US\$ 1	190,000	7.649	190,000	7.649
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PT Videocon Indonesia

US\$ 50	475	0.941	475	0.941
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Powerking Corporation Limited

US\$ 1	2,717	0.129	2,717	0.129
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Quadrant Corporation Inc.

US\$ 1	190	0.009	190	0.009
--------	-----	-------	-----	-------

Sapphire Overseas Inc.

US\$ 1	1,900	0.082	1,900	0.082
--------	-------	-------	-------	-------

Taurus Overseas Inc.

US\$ 1	190	0.008	190	0.008
--------	-----	-------	-----	-------

Trend Limited

US\$ 1	76,000	3.490	76,000	3.490
--------	--------	-------	--------	-------

Tusker Overseas Inc.

US\$ 1	190	0.008	190	0.008
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VCIL Netherlands B.V.

€ 100	34	0.129	34	0.129
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Venus Corporation Limited

US\$ 1	2,983	0.142	2,983	0.142
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Cristal (Cayman) Limited

US\$ 1	579,500	28.653	579,500	28.653
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Videocon (Mauritius) Infrastructure Ventures Limited

US\$ 1	100,700	4.919	100,700	4.919
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Videocon Realty Private Limited

₹ 10	2,500	0.025	2,500	0.025
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Titan Realty Private Limited

₹ 10	2,500	0.025	2,500	0.025
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Videocon Sez Infrastructures Private Limited

₹ 10	2,500	0.025	2,500	0.025
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## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

(₹ in Million)

	Face Value	As at 31st March, 2017		As at 31st March, 2016	
		No. of Shares	₹ in Million	No. of Shares	₹ in Million
Veronica Properties Private Limited	₹ 10	2,500	0.025	2,500	0.025
Bombay Mercantile Co-Operative Bank Limited	₹ 10	500	0.005	500	0.005
In Co-Operative Societies			0.002		0.002
			48.54		48.54
<b>In Mutual Fund Units</b>					
Axis Equity Fund	₹ 10	50,000	0.50	50,000	0.50
			0.50		0.50
<b>Total Non-Current Investments</b>			359.15		359.15
Aggregate amount of Quoted Investments			7.91		7.91
Aggregate Market value of Quoted Investments			4.92		4.67
Aggregate amount of Unquoted Investments			351.24		351.24

(₹ in Million)

## 14. LONG TERM LOANS AND ADVANCES

(Unsecured, considered good)

Capital Advances

Security Deposits

Other Deposits

MAT Credit Entitlement

Advance Income Tax (Net of Provision)

Total

## 15. INVENTORIES

(As taken, valued and certified by the Management)

Raw Materials including Consumables, Stores and Spares

Raw Materials in Transit and in Bonded Warehouse

Work-in-Process

Finished Goods and Stock in Trade

Total

## 16. TRADE RECEIVABLES

(Unsecured, considered good)

Outstanding for a period exceeding six months

Others

Total

## 17. CASH AND BANK BALANCES

## a) Cash and Cash Equivalents

Cash on hand

Balances with Banks in Current Accounts

(a)

## b) Other Bank Balances

In Dividend Warrant Accounts

In Fixed Deposits (held as margin money for credit facilities and other commitments)

- Maturity 12 months or less

- Maturity more than 12 months

(b)

Total (a+b)

## 18. SHORT TERM LOANS AND ADVANCES

(Unsecured, considered good)

Balance with Central Excise/Customs Department

Other Short Term Loans and Advances

Total

## 19. OTHER CURRENT ASSETS

Interest Accrued

Insurance Claim Receivable

Total

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

		(₹ in Million)	
		Year ended on 31st March, 2017	15 Months ended on 31st March, 2016
<b>20. REVENUE FROM OPERATIONS</b>			
Sale of Products - Electrical and Electronic items		11,966.94	19,966.46
Income from Services		20.49	14.01
Other Operating Revenue		4.64	10.68
	<b>Total</b>	<b>11,992.07</b>	<b>19,991.15</b>
<b>21. OTHER INCOME</b>			
Interest Income		18.95	26.75
Profit on Sale of Fixed Assets		-	56.48
Insurance Claim Received		0.42	-
Exchange Rate Fluctuation		14.09	1.93
Other Non Operating Income		8.02	10.17
	<b>Total</b>	<b>41.48</b>	<b>95.33</b>

		Year ended on 31st March, 2017		15 Months ended on 31st March, 2016	
		Percentage	₹ in Million	Percentage	₹ in Million
<b>22. COST OF MATERIALS CONSUMED</b>					
Imported		13.27	612.19	12.54	905.44
Indigenous		86.73	4,002.71	87.46	6,314.76
	<b>Total</b>	<b>100.00</b>	<b>4,614.90</b>	<b>100.00</b>	<b>7,220.20</b>

		(₹ in Million)	
		Year ended on 31st March, 2017	15 Months ended on 31st March, 2016
<b>22.1 Particulars of Materials Consumed</b>			
Plastic Raw Materials and Components		744.28	1,123.23
Electrical and Electronic Components		2,742.80	4,333.96
Other Raw Materials and Components		1,127.82	1,763.01
	<b>Total</b>	<b>4,614.90</b>	<b>7,220.20</b>

<b>23. PURCHASES OF STOCK-IN-TRADE</b>			
Electrical and Electronic items		5,055.12	8,589.35
	<b>Total</b>	<b>5,055.12</b>	<b>8,589.35</b>

<b>24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE</b>			
<b>Closing Inventories</b>			
Finished Goods and Stock-in-Trade		349.83	314.60
Work-in-Process		1,383.35	1,423.84
	<b>(a)</b>	<b>1,733.18</b>	<b>1,738.44</b>
<b>Opening Inventories</b>			
Finished Goods and Stock-in-Trade		314.60	436.40
Work-in-Process		1,423.84	1,359.10
	<b>(b)</b>	<b>1,738.44</b>	<b>1,795.50</b>
	<b>(b-a)</b>	<b>5.26</b>	<b>57.06</b>

<b>25. EMPLOYEE BENEFITS EXPENSE</b>			
Salary, Wages and Other Benefits		240.62	436.66
Contribution to Provident Fund and Other Funds		21.25	35.40
Staff Welfare Expenses		11.78	19.07
	<b>Total</b>	<b>273.65</b>	<b>491.13</b>

<b>26. FINANCE COSTS</b>			
Interest Expenses		957.50	1,177.82
Other Borrowing Costs		22.35	21.24
	<b>Total</b>	<b>979.85</b>	<b>1,199.06</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

(₹ in Million)

**27. OTHER EXPENSES**

	Year ended on 31st March, 2017	15 Months ended on 31st March, 2016
Power, Fuel and Water	61.34	93.80
Rent	1.18	18.69
Repairs to Building	3.89	1.34
Repairs to Plant and Machinery	12.71	11.37
Other Repairs and Maintenance	2.16	3.42
Insurance	4.37	6.31
Rates and Taxes	29.22	15.24
Carriage and Cartage	164.59	243.70
Advertisement, Publicity and Sales Promotion	0.40	6.24
Discount and Incentive Schemes	145.87	264.33
Bank Charges	36.84	33.93
Payment to Auditors (Refer Note No. 29.3)	3.13	3.38
Directors' Sitting Fees	0.08	0.13
Loss on Sale of Fixed Assets	0.08	-
Legal and Professional Charges	15.25	40.38
Loss from Investments and Securities Division (Refer Note No. 29.1)	0.13	32.28
Royalty	9.13	0.62
Warranty and Maintenance	108.62	151.77
Office and General Expenses	33.28	103.55
<b>Total</b>	<b>632.27</b>	<b>1,030.48</b>

**28. EARNINGS PER SHARE**

	Year ended on 31st March, 2017	15 Months ended on 31st March, 2016
i) Net Profit/(Loss) attributable to Equity Shareholders (₹ in Million)	(590.08)	(333.86)
ii) Weighted Average Number of Equity Shares	39,185,675	39,185,675
iii) Basic and Diluted Earnings per Share of ₹ 10/- each (₹)	(15.06)	(8.52)

**29. ADDITIONAL NOTES TO FINANCIAL STATEMENTS**

**29.1** The Company has kept the investment activities separate and distinct from the normal business. Consequently, all the income and expenditure pertaining to investment activities has been allocated to the Investments and Securities Division and the income after netting off the related expenditure has been shown as "Income/Loss from Investments and Securities Division". The Income/Loss from Investments and Securities Division include dividend on long term investments of ₹ 0.32 Million (Previous period ₹ Nil).

(₹ in Million)

**29.2 C.I.F. Value of Imports, Expenditure and Earnings in Foreign Currency**

	Year ended on 31st March, 2017	15 Months ended on 31st March, 2016
a) C.I.F. Value of Imports:		
Raw Materials and Stock in Trade	1,284.53	2,164.60
Capital Goods	11.51	0.72
b) Expenditure incurred in Foreign Currency:		
Interest	1.10	3.32
Bank Charges	0.01	0.01
Travelling	-	0.29
c) Other Earnings/Receipts in Foreign Currency:		
F.O.B. Value of Exports	58.49	103.75

(₹ in Million)

**29.3 Payment to Auditors**

	Year ended on 31st March, 2017	15 Months ended on 31st March, 2016
a) Statutory Audit Fees	2.29	2.60
b) Tax Audit Fees	0.15	0.15
c) Other Services	0.66	0.60
d) Reimbursement of Expenses	0.03	0.03
<b>Total</b>	<b>3.13</b>	<b>3.38</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

30. As required by Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets", the disclosure with respect to Provision for Warranty and Maintenance Expenses is as follows:

(₹ in Million)

	Year ended on 31st March, 2017	15 Months ended on 31st March, 2016
a) Amount at the beginning of the year/period	58.71	57.17
b) Additional provision made during the year/period	54.28	58.71
c) Amount used	56.11	57.17
d) Unused amount reversed during the year/period	2.60	-
e) Amount at the end of the year/period	54.28	58.71

### 31. EMPLOYEE BENEFITS:

#### Disclosure pursuant to Accounting Standard (AS) 15 (Revised):

##### A) Defined Contribution Plans:

Contribution to Provident Fund of ₹ 21.25 Million (Previous period ₹ 35.40 Million) is recognised as an expense and shown under the head "Employee Benefits Expense" (Note No. 25) in the Statement of Profit and Loss.

(₹ in Million)

##### B) Defined Benefit Plans:

	Gratuity		Leave Encashment	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
I) The amounts recognised in the Balance Sheet as at the end of the year/period:				
a) Present value of Defined Benefit Obligation	48.53	43.94	7.00	5.53
b) Fair value of Plan Assets	40.22	32.07	-	-
c) Funded Status - Surplus/(Deficit)	(8.31)	(11.87)	(7.00)	(5.53)
d) Net Assets/(Liability)				
i) Non Current	(4.97)	(8.08)	(6.57)	(5.13)
ii) Current	(3.34)	(3.79)	(0.43)	(0.40)
II) The amounts recognised in the Statement of Profit and Loss for the year/period:				
a) Current Service Cost	2.79	3.29	2.18	1.47
b) Interest Cost	3.28	3.66	0.42	0.47
c) Actuarial (Gains)/Losses	2.54	8.42	1.54	3.30
d) Actual return on Plan Assets	2.86	2.82	-	-
e) Total Expenses	5.75	12.55	4.14	5.24
III) The changes in Obligations during the year / period:				
a) Present value of Defined Benefit Obligation at the beginning of the year/period	43.94	35.31	5.53	6.55
b) Current Service Cost	2.79	3.29	2.18	1.47
c) Interest Cost	3.28	3.66	0.42	0.47
d) Actuarial (Gains)/Losses	2.54	8.42	1.54	3.30
e) Transfer in/(out) obligation	(1.57)	(2.91)	(0.29)	(1.67)
f) Benefit Payments	2.45	3.83	2.38	4.59
g) Present value of Defined Benefit Obligation at the end of the year/period	48.53	43.94	7.00	5.53
IV) The changes in Plan Assets during the year/period:				
a) Plan Assets at the beginning of the year/period	32.07	22.82	-	-
b) Contribution by Employer	7.07	9.48	-	-
c) Actual Benefits paid	1.78	3.05	-	-
d) Plan Assets at the end of the year/period	40.22	32.07	-	-
e) Actual return on Plan Assets	2.86	2.82	-	-
V) Actuarial Assumptions				
a) Discount Rate	-	7.00% per annum		
b) Mortality	-	Indian Assured Lives Mortality (2006-08) Ultimate		
c) Turnover Rate	-	5% at younger ages reducing to 1% at older ages		
d) Future Salary Increase	-	5% per annum		

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

### 32. RELATED PARTY DISCLOSURES:

As required under Accounting Standard 18 on "Related Party Disclosures", the disclosure of transaction with related parties as defined in the Accounting Standard are given below:

#### A) List of Related Parties where control exists and related parties with whom transactions have taken place and relationship:

##### Key Management Personnel:

Mr. Yogesh Deshmukh - Head Operations

Ms. Anagha Joshi - Company Secretary (Upto 30<sup>th</sup> November, 2016)

Mr. Sumit Mishra - Company Secretary (w.e.f. 29<sup>th</sup> December, 2016)

#### B) Material Transactions with Related Parties during the year are:

Remuneration to Key Management Personnel - ₹ 1.21 Million (Previous period ₹ 2.13 Million)

### 33. CONTINGENT LIABILITIES AND COMMITMENTS

#### A) Contingent Liabilities not provided for:

	As at 31st March, 2017	As at 31st March, 2016
i) Letters of Credit opened	376.42	270.42
ii) Letters of Guarantees	1,159.97	4,010.02
iii) Claims against the Company not acknowledged as debts		
a) Custom Duty demands and penalties under dispute	11.33	14.96
[Amount paid under protest ₹ 1.50 Million (Previous period ₹ 2.59 Million)]		
b) Excise Duty and Service Tax demands and penalties under dispute	96.93	71.37
c) Sales Tax demands and penalties under dispute	80.01	84.91
[Amount paid under protest ₹ 26.46 Million (Previous period ₹ 29.04 Million)]		
iv) Income Tax matters in respect of which appeals are pending	100.33	96.97
[Amount paid under protest/adjusted by Department ₹ 35.33 Million (Previous period ₹ 30.15 Million)]		

#### B) Commitments

Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances)	3.30	3.84
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34. The Company alongwith 12 other affiliates/entities (collectively referred to as 'Obligors' or individually as 'Borrower') executed Facility Agreement with the consortium of existing domestic rupee term lenders, under the obligor/co-obligor structure, wherein all the Rupee Term Loans of the Obligors are pooled together. The Borrower entities are Videocon Industries Limited, Value Industries Limited, Trend Electronics Limited, KAIL Limited, Millennium Appliances India Limited, Applicomp (India) Limited, Sky Appliances Limited, Techno Electronics Limited, Century Appliances Limited, PE Electronics Limited, Techno Kart India Limited, Evans Fraser and Co. (India) Limited and Electroworld Digital Solutions Limited (formerly Videocon International Electronics Limited). Further, Videocon Telecommunications Limited is also inducted as co-obligor in the said facility agreement with the consortium of RTL Lenders as mentioned in Note No. 5.1 above.

As the Company is a co-obligor, it is contingently liable in respect of the borrowings of other Obligors/Borrowers to the extent of outstanding balance of Rupee Term Loans as on 31st March, 2017 of ₹ 212,689.54 Million (As on 31st March, 2016 ₹ 192,780.96 Million).

35. The Directorate of Revenue Intelligence, Mumbai Zonal Unit ('DRI') has on 30th December, 2014, issued a Show Cause Notice ('SCN') in connection with import of Colour Picture Tubes ('CPTs') by the Company and other concerns. Vide SCN, the Company was called upon, amongst others, as to why the declared value of CPTs imported should not be rejected and the same should not be re-determined and why the amount of anti-dumping duty of ₹ 6.94 Million and penalty thereon should not be recovered under the extended period under the provisions of the Customs Act, 1962.

In order to buy peace of mind, the Company filed application with the Adjudication Authority who determined that the declared value is liable to be rejected and re-determined under Custom Valuation Rules read with Section 14 of the Customs Act, 1962 and value is liable for payment of Anti Dumping Duty amounting to ₹ 1.77 Million, which is payable on the import of Colour Picture Tubes from the Company and the penalty of equivalent amount along with interest thereon under Section 114A of the Customs Act, 1962. The Company has been advised by its counsels that the Order passed by Adjudication Authority is untenable in the court of laws and, accordingly, the Company is considering filing of appeal against the said order. Hence, no provision has been considered necessary in the financial statements.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

36. The Company is primarily engaged in manufacturing and trading of Electrical and Electronic Appliances and there is no other reportable segment as defined in Accounting Standard 17 on "Segment Reporting"
37. The outstanding balances of certain Trade Receivables, Trade Payables, Deposits, Advances and Other Current Assets/ Liabilities are subject to confirmation and reconciliation, if any. However, in the opinion of the management, adjustment, if any, will not be material.
38. In the opinion of the Board, the value on realisation of Current Assets, Loans and Advances in the ordinary course of the business would not be less than the amount at which they are stated in the Balance Sheet and the provision for all known and determined liabilities is adequate and not in excess of the amount reasonably required.
39. There are no amounts due and outstanding, to be credited to the Investor Education and Protection Fund.
40. The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016:

(₹ in Million)

Particulars	SBNs (Old ₹ 500 and ₹ 1000 Notes)	Other Denomination Notes	Total
Closing Cash in hand as on 8th November, 2016	3.58	0.52	4.10
(+) Permitted receipts	-	0.41	0.41
(-) Permitted payments	-	0.26	0.26
(-) Amount deposited in Banks	3.58	-	3.58
Closing Cash in hand as on 30th December, 2016	-	0.67	0.67

41. The figures for the current year are for a period of 12 months whereas the figures of the previous period were for 15 months and hence are not comparable. Previous period figures have been reclassified, regrouped, recasted to conform to the classification of the current year.

As per our report of even date

**For KHANDELWAL JAIN & CO.**  
Chartered Accountants  
(Firm Registration No.: 105049W)

**For KADAM & CO.**  
Chartered Accountants  
(Firm Registration No.: 104524W)

For and on behalf of the Board

**B. S. KAKADE**  
Director  
DIN: 06383819

**BHUPENDRA Y. KARKHANIS**  
Partner  
Membership No.: 108336  
Place : Mumbai  
Date : 30<sup>th</sup> May, 2017

**U. S. KADAM**  
Partner  
Membership No.: 31055

**SUMIT MISHRA**  
Company Secretary  
Membership No.: A39561

**N. B. MANDHANA**  
Director  
DIN: 01222013





## ATTENDANCE SLIP

### VALUE INDUSTRIES LIMITED

CIN : L99999MH1988PLC046445

**Regd. Office :** 14 K.M. Stone, Aurangabad – Paithan Road, Village: Chittegaon, Taluka: Paithan  
District: Aurangabad - 431 105 (Maharashtra)

**Tel. No.:** +91-2431-251555/661471 **Fax. No.:** +91-2431-251571

**E-mail id:** secretarial\_value@videoconmail.com **Website:** www.valueind.in

**29<sup>th</sup> Annual General Meeting - Friday, 29<sup>th</sup> September, 2017**

Regd. Folio No. / Client ID No.

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DP ID No.

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No. of shares held

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

I certify that I am a registered Shareholder/Proxy for the registered Shareholder of the Company.

I hereby record my presence at the 29<sup>th</sup> ANNUAL GENERAL MEETING of the Company held on Friday, 29<sup>th</sup> September, 2017 at 2.00 p.m. at the Registered Office of the Company at 14 K.M. Stone, Aurangabad – Paithan Road, Village: Chittegaon, Taluka: Paithan, District: Aurangabad - 431 105 (Maharashtra).

.....  
Member's / Proxy's Name in Block Letters

.....  
Member's / Proxy's Signature

Note: Please fill in this attendance slip and hand it over at the ENTRANCE OF THE HALL.

*Please read errata for typesetting matter.*



# PROXY FORM

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

# VALUE INDUSTRIES LIMITED

**CIN : L99999MH1988PLC046445**

**Regd. Office :** 14 K.M. Stone, Aurangabad – Paithan Road, Village: Chittegaon, Taluka: Paithan  
District: Aurangabad - 431 105 (Maharashtra)

**Tel. No.: +91-2431-251555/661471 Fax. No.: +91-2431-251571**

**E-mail id:** [secretarial\\_value@videoconmail.com](mailto:secretarial_value@videoconmail.com) **Website:** [www.valueind.in](http://www.valueind.in)

## 29<sup>th</sup> Annual General Meeting - Friday, 29<sup>th</sup> September, 2017

Name of the Member(s)

Registered address

Email ID

Folio No. / Client ID

DP ID

I/we, being the Member (s) of \_\_\_\_\_ shares of the above named Company, hereby appoint

Name: \_\_\_\_\_ Email ID: \_\_\_\_\_

Address: \_\_\_\_\_

Signature : \_\_\_\_\_

*or failing him/her*

Name: \_\_\_\_\_ Email ID: \_\_\_\_\_

Address:

Signature : \_\_\_\_\_

*or failing him/her*

Name: \_\_\_\_\_ Email ID: \_\_\_\_\_

Address: \_\_\_\_\_

Signature :

(contd.....)



as my/ our proxy to attend and vote (on a poll) for me /us and on my/our behalf at the 29th Annual General Meeting of the Company, to be held on Friday, 29th September, 2017 at 2.00 p.m. at the Registered office at 14 K.M. Stone, Aurangabad – Paithan Road, Village: Chittegaon, Taluka: Paithan, District: Aurangabad - 431 105 (Maharashtra) and at any adjournment thereof in respect of such resolution as are indicated below:

Resolution Number	Resolution	For	Against
<b>Ordinary Business:</b>			
1.	To adopt the Audited Statement of Profit and Loss for the financial year 31st March, 2017 and the Audited Balance Sheet as at that date together with the Reports of the Board of Directors and Auditors thereon.		
2.	To appoint a Director in place of Mrs. Gayathri R. Girish (DIN: 07145426), who retires by rotation and, being eligible, offers herself for re-appointment.		
3.	Appointment of Auditors and fixation of their remuneration.		
<b>Special Business:</b>			
4.	Ratification and confirmation of payment of remuneration to Mr. Jayant B. Galande, Cost Auditor of the Company.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

\_\_\_\_\_  
Signature of the Shareholder

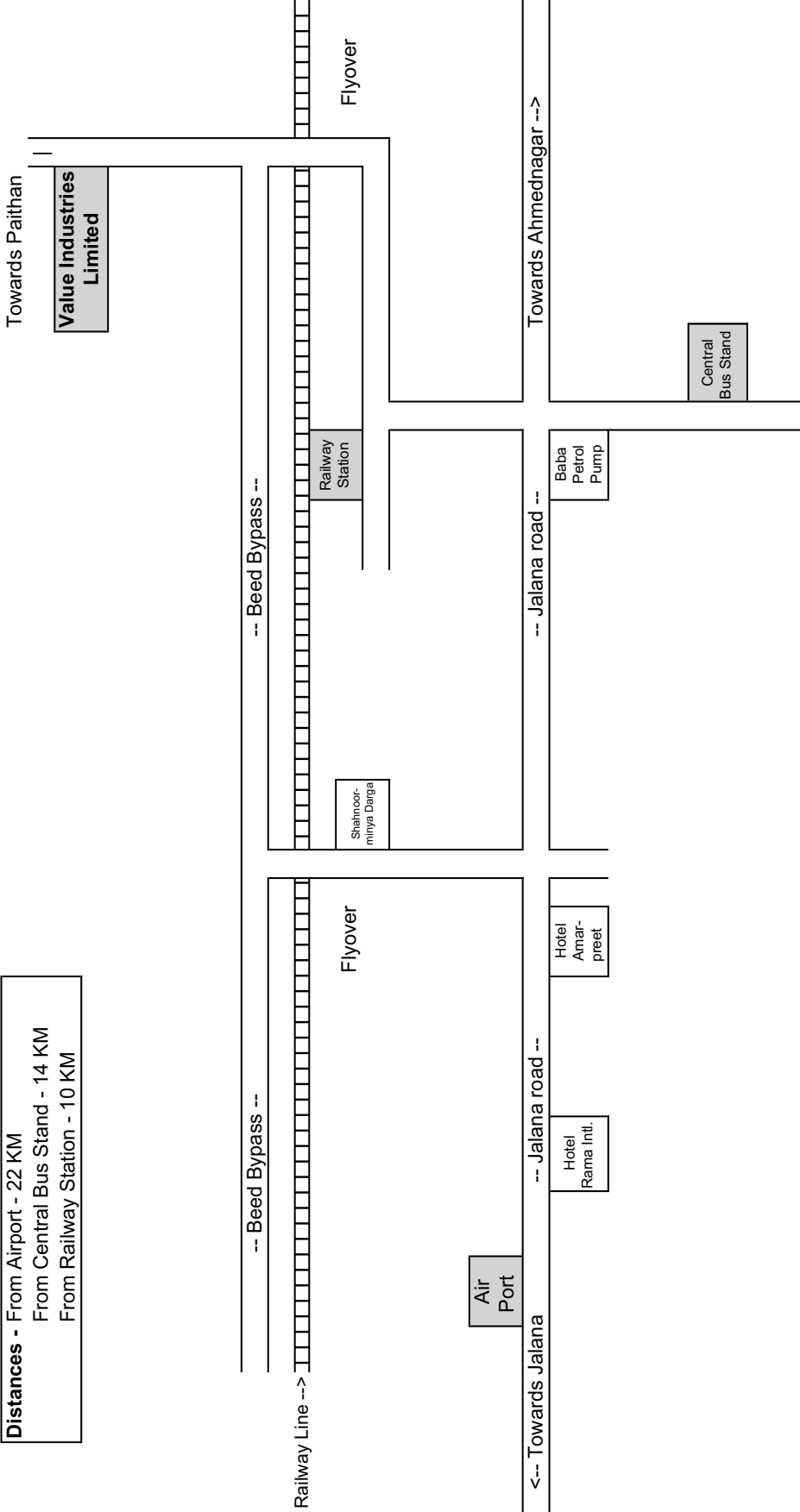
\_\_\_\_\_  
Signature of the Proxy holder(s)

**Notes:**

*This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.*

- 1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.*
- 2. This is only optional. Please put a '✓' in the appropriate column against the Resolutions indicated in the box above. If you leave the 'For' or 'Against' column blank against any or all the Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.*
- 3. Appointing a proxy does not prevent a member from attending the Meeting in person if he/she so wishes.*
- 4. In case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.*

**Distances -** From Airport - 22 KM  
From Central Bus Stand - 14 KM  
From Railway Station - 10 KM



*If undelivered, please return to:*

**MCS Share Transfer Agent Limited**

**Unit: Value Industries Limited**

002, Ground Floor, Kashiram Jamnadas Bldg,  
5 P.D' Mello Road, Masjid (E), Mumbai 400 009.