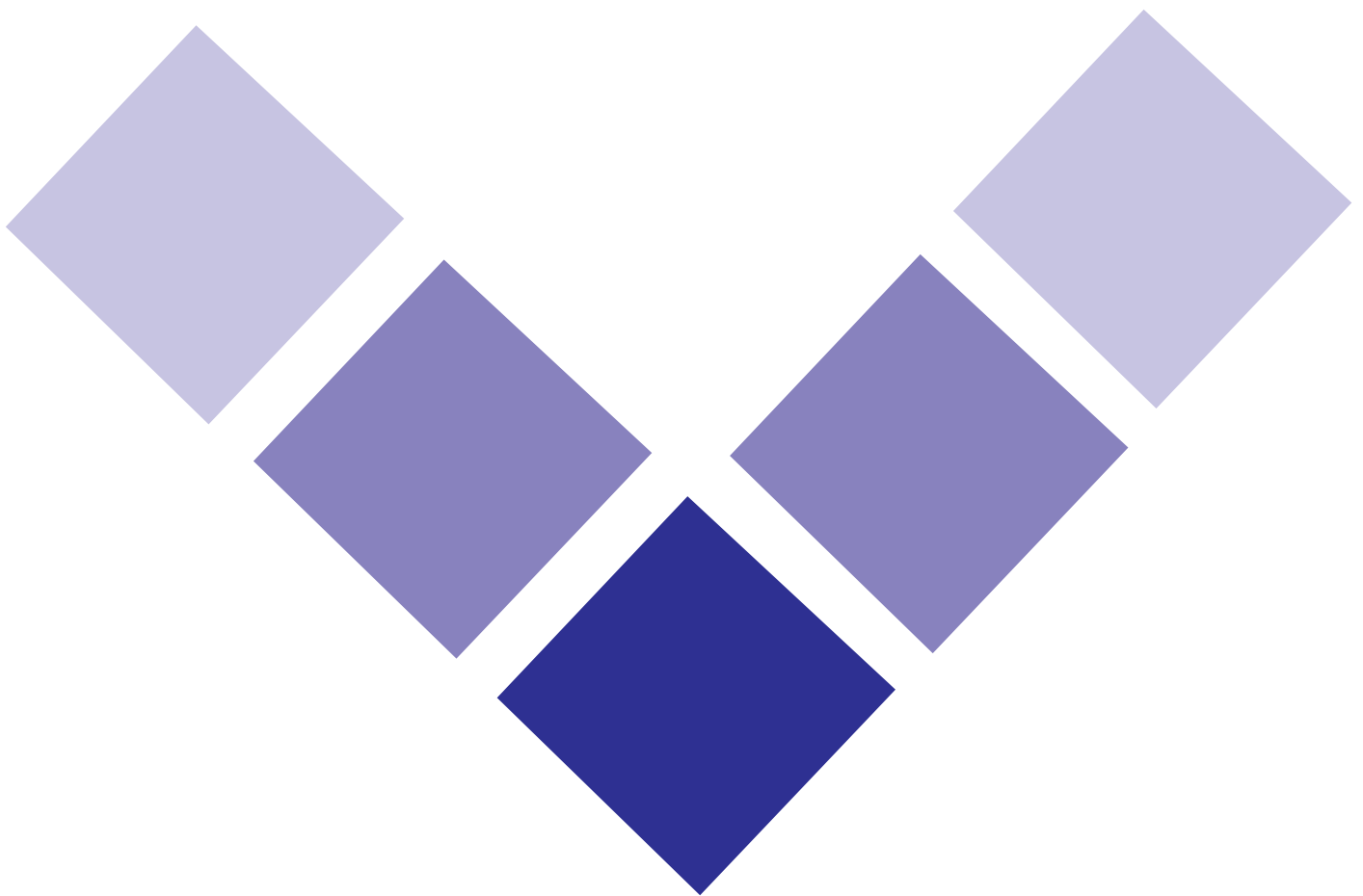


# Value Industries Limited



**ANNUAL REPORT 2015-16**

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Bhujang Kakade  
Mr. Avinash Malpani  
Mr. Naveen 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. Tarapur 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

Ms. Anagha Joshi

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## NOTICE

**NOTICE** is hereby given that the Twenty-Eighth Annual General Meeting of the Members of **VALUE INDUSTRIES LIMITED** (the "Company") will be held on Monday, 26th September, 2016, 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 10.30 a.m. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the financial period ended on 31st March, 2016 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 ratify the appointment of Auditors 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 such other applicable provisions, if any, of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s. Khandelwal Jain & Co., Chartered Accountants, Mumbai (Firm Registration No. 105049W) and M/s. Kadam & Co., Chartered Accountants, Ahmednagar (Firm Registration No. 104524W), as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting i.e. the 28th Annual General Meeting until the conclusion of the 29th Annual General Meeting on such remuneration as shall be fixed by the Board of Directors of the Company."

### SPECIAL BUSINESS:

4. To appoint Mr. Bhujang Kakade (DIN: 06383819) as an Independent Director at the ensuing Annual General Meeting 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 Sections 149, 152, 160 and such other applicable provisions of the Companies Act, 2013 (the "Act") and the Rules made thereunder read with Schedule IV to the Act, Mr. Bhujang Kakade (DIN: 06383819), who was appointed as an Additional Director (Independent) on the Board of the Company at the Board Meeting held on 30th May, 2016, and who holds office of Director upto the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company for a term of five consecutive years from the date of this Annual General Meeting i.e. 26th September, 2016, and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member signifying its intention to propose candidature of Mr. Bhujang Kakade for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office upto a term of five consecutive years from 26th September, 2016, not liable to retire by rotation."

5. To consider and ratify the remuneration to be paid to Mr. Jayant B. Galande, (Membership No. 5255), Cost Auditor of the Company, 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 such other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any amendment thereto or re-enactment thereof for the time being in force) Mr. Jayant B. Galande (Membership No. 5255), Cost Accountant in Whole-Time Practice, Aurangabad, who was appointed as the Cost Auditor of the Company by the Board of Directors, for conducting the audit of the cost accounting records of the Company for the financial year commencing on 1st April, 2016 at a remuneration of ₹ 75,000/- (Rupees Seventy Five Thousand Only) excluding

service tax, travelling and other out-of-pocket expenses incurred by him in connection with the aforesaid audit be and is hereby ratified and confirmed."

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

**ANAGHA JOSHI**  
**COMPANY SECRETARY**  
**ACS30976**

Place: Mumbai  
Date: 13th August, 2016

#### 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.:** +91-2431-251552/5

**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 28th 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 Saturday, 13th August, 2016 and as regards shares held in the electronic form, to those beneficial owners of the shares as at the close of business hours on Friday, 12th August, 2016 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/appointment at this Annual General Meeting is appended to the Notice.
8. The Register of Members and Share Transfer Books shall remain closed from Wednesday, 14th September, 2016 to Monday, 26th September, 2016 (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 remote 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 Friday, 23rd September, 2016 at 9.00 a.m. to Sunday, 25th September, 2016 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 Sunday, 25th September, 2016. 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. Mrs. Kanchan Kakade, Company Secretary in Whole-Time Practice (CP No. 11999) or failing her, Mr. Mangesh Kamble, Company Secretary in Whole-Time Practice (CP No. 9621) 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 Monday, 26th September, 2016.
16. The Company has fixed Monday, 19th September, 2016, 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 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/entitlement date i.e. Monday, 19th September, 2016 may obtain the User ID and Password by sending an email request to [secretarial\\_value@videoconmail.com](mailto:secretarial_value@videoconmail.com). Members may also call on +91 22 6611 3660 or send a request to The Company Secretary, by writing to her at Value Industries Limited at 2nd Floor, Fort House, Dr. D N Road, Fort, Mumbai- 400 001.
18. The Voting Rights will be reckoned on the paid-up value of shares registered in the name of shareholders on Monday, 19th September, 2016, 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 2007-08 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Dividend for the financial year ended 2008-09 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 M/s. 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 i.e. [www.valueind.in](http://www.valueind.in) and on the website of 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 M/s. MCS Share Transfer Agent Limited, Registrar and Share 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 M/s. 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 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 M/s. MCS Share Transfer Agent Limited, the Registrar and Share 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 Share 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 process and manner for voting by electronic means and the time schedule including the time period during which the votes may be casted as under:

- (i) The voting period begins on Friday, 23rd September, 2016 at 9.00 a.m. and ends on Sunday, 25th September, 2016 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/entitlement date i.e. Monday, 19th September, 2016 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.
- (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>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <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 given on the reverse of the attendance slip in the PAN field.</li> </ul>
	<ul style="list-style-type: none"> <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>	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yy format) as recorded in your demat account or in the company records in order to login. <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 out print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the 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/entitlement date i.e., Monday, 19th September, 2016 may obtain the User ID and Password by sending an email request to [secretarial\\_value@videoconmail.com](mailto:secretarial_value@videoconmail.com). Members may also call on +91 22 6611 3660 or send a request to The Company Secretary, by writing to her at Value Industries Limited at 2nd Floor, Fort House, Dr. D N Road, Fort, Mumbai- 400 001.

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

**ANAGHA JOSHI**  
**COMPANY SECRETARY**  
**ACS30976**

Place: Mumbai

Date: 13th August, 2016

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

### ITEM NO. 4

Mr. Bhujang Kakade (DIN: 06383819) was appointed as an Additional Director (Non-Executive, Independent) at the Board Meeting held on 30th May, 2016. In terms of the provisions of Section 161 of the Companies Act, 2013 and the Rules made thereunder, he holds the office of Director upto the date of ensuing Annual General Meeting. A notice under Section 160 of the Companies Act, 2013 has been received in writing from a member together with requisite deposit signifying its intention to propose his candidature for the office of the Director of the Company.

Further, in terms of Section 149 of the Companies Act, 2013 and the Rules made thereunder, the Board proposes his appointment as an Independent Director to hold office upto a term of five consecutive years from the date of this Annual General Meeting.

The Company has received from Mr. Bhujang Kakade (1) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (2) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-Section (2) of Section 164 of the Companies Act, 2013, (3) a declaration to the effect that he meets the criteria of independence as provided in Sub-Section (6) of Section 149 of the Companies Act, 2013.

A brief profile of Mr. Bhujang Kakade, nature of expertise in specific functional area, name of other public companies in which he holds directorship and membership/ chairmanship of the committees of the Board of Directors, the particulars of the shareholding and relationship between the directors, key managerial personnel and manager of the Company inter-se as stipulated under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by The Institute of Company Secretaries of India is appended to the Notice.

In the opinion of the Board of Directors, Mr. Bhujang Kakade fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder and he is independent of the Management.

All the relevant documents in connection with the appointment of Mr. Bhujang Kakade, are available for inspection without any fee by the Members at the Company's Registered Office during normal business hours on working days upto the date of ensuing Annual General Meeting.

The Board considers that his appointment would be of immense benefit to the Company and it is desirable to appoint Mr. Bhujang Kakade as an Independent Director. Hence, the said appointment is being proposed for approval of the Members at the ensuing Annual General Meeting.

Save and except, Mr. Bhujang Kakade, to whom the resolution relates, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the Resolution.

### ITEM NO. 5

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, 2016. 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, 2016. 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.

The Board accordingly, recommends the passing of the Ordinary Resolution as set out in Item No. 5 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.

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

**ANAGHA JOSHI**  
**COMPANY SECRETARY**  
**ACS30976**

Place: Mumbai  
Date: 13th August, 2016

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

<b>Particulars</b>	<b>Profile of the Director</b>	
Name of the Director	Mr. Bhujang Kakade	Mrs. Gayathri R. Girish
DIN	06383819	07145426
Date of Birth	2nd June, 1962	1st December, 1978
Educational Qualification	Bachelor of Commerce	Bachelor of Commerce, Associate Member of The Institute of Company Secretaries of India
Age (in years)	54	37
Date of appointment on the Board	30th May, 2016	31st March, 2015
The Category of the Director	Independent- Non Executive	Professional Non - Executive
Area of Expertise / Senior Position Held / Work Experience	He carries with him vast experience in diversified fields.	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	Independent Director for a term of five consecutive years.	Reappointment as a Professional Non Executive Director liable to retire by rotation.
Remuneration last drawn, if applicable	Nil. Only sitting fees are paid.	Nil. Only sitting fees are paid.
Details of Directorships in other Public Limited Companies (including subsidiaries of Public Company)	1. CE India Limited	Nil
Names of the other Committees in which Chairman	Nil	Nil
Names of the other Committees in which Member	Nil	Nil
No. of shares held	Nil	Nil
Relationships between Directors, Key Managerial Personnel and Managers of the Company.	NA	NA
Number of Board Meetings attended	NA	2 (Two)

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors take pleasure in presenting the Twenty - Eighth Annual Report together with the Audited Financial Statements and Auditors' Report for the financial period ended on 31st March, 2016.

### PERFORMANCE REVIEW

The performance of the Company, for the financial period ended on 31st March, 2016, is summarized below:

Particulars	(₹ in Million)	
	15 months ended 31st March, 2016	Year ended 31st December, 2014
Net Revenue from Operations	19,091.97	15,132.11
Other Income	95.33	18.04
Total Income	19,187.30	15,150.15
Profit Before Finance Costs, Depreciation and Tax	1,799.08	1,193.69
Finance Costs	1,199.06	957.37
Depreciation and Amortization	990.58	779.64
Profit /(Loss) Before Tax	(390.56)	(543.32)
Profit /(Loss) for the Period/Year	(333.86)	(437.88)

The current financial period is for 15 months commencing from 1st January, 2015 to 31st March, 2016 and the previous financial year was of 12 months commencing from 1st January, 2014 to 31st December, 2014, hence the figures are not comparable.

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

### DIVIDEND

In view of the loss incurred by the Company, the Board of Directors do not recommend any dividend for the financial period ended 31st March, 2016.

### TRANSFER TO RESERVES

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

### TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the period the Company has transferred a sum of ₹ 1.22 Million in respect of unpaid/unclaimed dividend for the Financial Year 2007-08 to the Investor Education and Protection Fund.

### FIXED DEPOSITS

Your Company has not accepted any Fixed 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 period as required are provided in Notes 14 and 34A of the Financial Statements.

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

All the related party transactions are entered at 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 SEBI (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 further formulated the Nomination and Remuneration Policy on directors' appointment and remuneration including the criteria for determining qualifications, positive attributes and independence of director. 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, further in terms of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016, the Boards' Report shall include a statement showing the names of top ten employees in terms of the remuneration drawn and the names of every employee of the Company who draws remuneration as per the limits prescribed under the said Amendment Rules. A statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules are provided in the Annexure 1. A statement pursuant to Section 197(12) of the Companies Act, 2013 and Rules made thereunder is provided in Annexure 2 and forms part of the Directors' Report.

### CONSERVATION OF ENERGY

In today's tough economic climate, all organizations are pushing harder to save cost. At the same time, many are under strain to comply with the latest environmental legislation and wish to reduce their carbon footprint. Every organization tries to reduce its overheads by emphasizing on the energy conservation perspective.

Sustainable development is an integral part what Company does. Our Company's commitment to sustainable development is reflected in its ambitious targets to reduce consumption footprints in energy, water and waste. Our Company has shifted energy management parameters from the 'can do' alternative to the 'must do'. It strives to conserve energy on a perpetual basis in order to meet the future demands.

The Company has taken various steps for the conservation of energy. Your Company strives to preserve and uphold the natural resources and reduce the environmental impact of its product and services. Reduction in power consumption in products, manufacturing process and operations has always been a major area of thrust for the Company. Focusing on green technology and following the principles of sustainable development has been on the forefront of your Company. The Company has properly implemented the functioning of the five R's, viz; Reduce, Recycle, Renew, Reuse and Respect. Your Company aims to engage with government and non-government agencies to promote conservation of energy.

The Company has in place an in-house team comprising of experts to regularly keep a check on the energy conservation at the work place.

Some of the specific measures undertaken by the Company are:

- Replacement of high consumption bulbs with lesser consumption tube lights and CFL (Compact Fluorescent Lamps).
- Modifications in air line distribution network of compressed air for the optimization of running hours of compressors.
- Use of smooth well-rounded air inlet for fan air intakes and avoid poor flow distribution at the fan inlets.



- Maintenance of electrical power factor to at least 0.95 underrated load conditions.
- Planting trees to just shade the air conditioning units but not to block the airflow. A unit operating in the shade uses as much as 10% less electricity than the same one operating in the sun.
- Minimizing day lighting arrangements and maximizing the use of solar energy.
- Use of motion sensor switches for auto switch ON/OFF of toilet lights & exhaust fans.
- Introduced natural sources of light by providing transparent sheets, and ventilators in roofs for good air circulation.
- Ensured optimum utilization in resources.
- Reduction in energy cost by printing only when necessary. This in turn has reduced the wastage of paper to great extent thereby cutting the energy required to run printer and increasing the life of the printer.

The adoption of the above energy conservation measures have helped to curtail the proportionate increase in total energy usage consequent to overall increase in production. This has made it possible to maintain cost of production at optimum levels.

The Company was conferred with the prestigious National Energy Conservation Award for 2015 by the Bureau of Energy Efficiency (BEE), for the First Prize in the Manufacturers of BEE Star Labeled Appliances (Refrigerator) Sector.

#### RESEARCH & DEVELOPMENT; TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Improving the product lines, experiencing growth through these improvements and through the development of new goods and services has enabled the Company to grow in businesses and markets. Coupled with the growth in the business and markets, the Company also focuses on co-creating the innovation so as to open up new business opportunities.

Research and Development (R&D) are integral to your Company's innovation agenda for achieving growth, business profitability, sustainability and rural transformation. Your Company focuses on the ways and strategies to innovate new products and blend in the latest technology.

##### R & D could result in developments such as:

- Increase in profitability;
- Improved sales;
- Easy access to new supply chains;
- Maintenance of quality;
- Cost reduction; and
- Updated and sophisticated technology.

##### Various benefits derived from R & D activities are:

- Latest technology which resulted in providing economies of scale;
- Cost reduction and profit maximization;
- Higher customer satisfaction; and
- New/ Improved Products.

##### Future plan of action:

The Company shall 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.

During the period under review, the Company has incurred ₹ 11.21 Million representing 0.06% of the turnover towards recurring R&D expenses.

#### FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars of Foreign Exchange Earnings and Outgo during the financial period ended on 31st March, 2016 are set out hereunder:

(₹ in Million)

Particulars	15 Months ended 31st March, 2016	Year ended 31st December, 2014
Foreign Exchange Earnings	103.75	-
Foreign Exchange Outgo	2,168.94	865.80

#### 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 can hinder 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has formed a Risk Management Committee. The scope and composition of the Committee forms part of 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 reviews the Risk Management Policy periodically and discuss and mitigate the identified risks from time to time.

#### CORPORATE SOCIAL RESPONSIBILITY POLICY

Corporate Social Responsibility (CSR) functions as a self – regulatory mechanism whereby a business monitors and ensures its active compliance with the true spirit of law, ethical standards and national or international norms. CSR, in a nutshell, aims to increase long term profit on the one hand and stakeholder trust on the other hand in order to reduce business and legal risks by taking responsibility for corporate actions. CSR is an ethical framework that suggests that an entity, be it an organization or individual, has an obligation to act to benefit society at large. It is a duty that every individual has to perform so as to maintain a balance between the economy and the ecosystems.

The major thrust area should be to maximize stakeholder's expectations, bring in sustainable management of resources and to continuously improve the social, environmental and economic aspects.

We don't just plant – but create a wide socio-environmental impact. Together with locals, we embark upon a journey which starts with planting trees, becomes visible as they grow taller and also touch many hearts as their roots get deeper into the ground. As our program has matured over a period, we now offer various service offerings under the green umbrella. Therefore it doesn't remain a mere tree plantation campaign but becomes a widespread program bringing lives to the planet in the form of greenery, addressing various social objectives, establishing a cohesive bond among corporates, their employees and customers and also the community around the factory premises and nearby villages.

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 its 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 along 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

Your Company's Health, Safety and Environment Measures strategies are directed towards achieving the greenest operations by optimizing the use of natural resources and providing a safe and healthy workplace. The Company focuses on ensuring safe and health – oriented working conditions by complying with all the statutory and regulatory requirements related to health/ safety of the workers/ employees. The Company has been taking efforts in building health awareness among its employees.

Safety is an area of paramount importance in our Company. A well defined occupational health and safety management system is in place to ensure the safety of employees, workforce as well as equipment and machinery. Our Company continues to exhibit a robust assurance towards Safety, Health and Environment during the period under review.

Some of the initiatives / measures taken by your Company for building a healthy work culture are:

- Installation of 50 fire extinguishers, 50 Fire Balls and arranging the Fire Security guard in shop floor with small 1 kg Fire Extinguisher to attend immediate small fire in case of emergency.
- Availability of first aid box & fire blanket at security check point for every department.
- Improving overall health and hygiene by reducing the incidence of water-borne diseases.
- Defined the fire points at high hazard area (Zone-0).
- Preparation of emergency plans and the provisions of first-aid training.
- Celebration of Safety promotional activities like – National Safety Week and the Service Week.
- Compliance with the legal requirements of Directorate of Industrial Safety & Health (DISH), Chief Fire Office etc.
- Conducting periodical Health and Safety Meetings to strengthen the safety.
- Availability of well – equipped Occupational Health Center in case of emergency.
- Display of all Emergency Exit and Evacuation Plan in auto glow board at shop floors.
- Development of emergency scenarios in the event of harmful chemical substance spills, fires, explosions and natural disasters.

Preventive health checks and health promotion programs are put in place by the Company so as to ensure that all employees are covered under it. Productivity at work is directly influenced by the health status of the workers.

### Environmental Measures:

Minimizing the negative environmental impact and maximizing long – term stakeholder's value has been of paramount importance for the Company. The Company continues to develop eco – friendly products and strives to address the matters related to conservation of environment through a variety of initiatives.

Your Company has emphasized on the proposition of "Environment Ethics" which basically deals with the moral relations between human beings and their natural environment. More specifically, it refers to the value that a mankind places on protecting, conserving and efficiently using resources that the earth provides.

Your Company is committed to Green Initiative wherein it has established a green management goal for significantly reducing greenhouse gases and launching eco-friendly products.

Your Company adopted the following eco-friendly initiatives for the environment:

- Working to reduce greenhouse gas emissions.
- Submitted yearly environment statement (Form-05) and annual hazardous returns (Form – 04) to Maharashtra Pollution Control Board (MPCB) as per legal requirement.
- Reducing the impact of environmental accidents by introducing employee education programs for fire and chemical safety, operations and personal safety and drills for emergency evacuation.

- Accumulation of roof rain water for water harvesting purpose to avoid scarcity in summer season.
- Celebration of Vanamahotsav (Annual Festival for Tree Plantation) and World Environment Day to increase mass awareness among the employees.
- Implementation of 5 R's – Reduce, Reuse, Recycle, Renew and Respect for the optimum utilization of natural resources.
- Disposal of solid and hazardous wastes.

Our Company is in compliance with e-waste rules and guidelines and has a tie up on all India basis, with authorized recycler for collection and disposal of e-waste products. The Company has taken the initiative to spread awareness regarding e-waste management and its handling and disposal through print media, social sites, and advertisement campaign by way of putting standee-educating the dealers and the end consumers.

### Reduction of Greenhouse Gas Emissions (GHG's):

In order to encourage and facilitate a low-carbon life style, Company measures the total amount of GHG emissions produced throughout the life cycle of our major products (carbon footprint). The Company makes concerted efforts to reduce GHG emissions produced in all stages of their life cycle, such as making our products lighter, reducing the use of resources, and enhancing energy efficiency. In particular, the Company plans to contribute to the reduction of GHG emissions associated with product use by developing and introducing highly energy-efficient products. In 2015, the Company introduced new products with highly energy-efficient features, contributing to a reduction of GHG emissions associated with product. In order to achieve the reduction target by 2020, Company plans to push forward with a broad range of initiatives for enhancing energy efficiency.

## INFORMATION TECHNOLOGY

India's manufacturing sector has evolved through several phases - from the initial industrialization to liberalization and to the current phase of global competitiveness. Today, Indian manufacturing companies in several sectors are targeting global markets and are becoming formidable global competitors. Many are already amongst the most competitive in their sectors.

Information Technology (IT) covers a broad spectrum of hardware and software solutions that enables organizations to gather, organize and analyze data that helps them achieve their goals. It also details technology – based workflow process that expands the capacity of an organization to deliver services that generate revenue. It has helped in shaping both the business world and society in general. Your Company has been making continuous advancements in IT which has led to the following:

- Increase in production and saving time;
- Improvement in data storage and file management;
- Improvement in financial management by using various accounting software tools;
- Ensuring data integrity and security; and
- Improved database management.

The result of better use of IT has helped in better data management and faster access to the inventory and other details.

IT is the vital and integral part of our Company. We have evolved our IT strategy and roadmap in line with our business strategy. Usage of IT is revolutionizing the rules of businesses resulting in structural transformation across enterprises.

We are continuously upgrading our infrastructure by replacing obsolete desktops/ laptops/ servers etc. and also upgrading the connectivity backbone across enterprise. The robust infrastructure is the essential component of an enterprise and our management has given due focus towards this. The digital revolution has entered into a new age that presents unprecedented challenges as well as tremendous business opportunities. We are continuously exploring new ways to deal with digital disruption and preparing a digital transformation strategy for our enterprise.

Also we have built excellent relationship with suppliers. We have implemented Supplier Communication Portal for direct communication with our suppliers as per our business need.

#### 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 regard.

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) and Section 161 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 was appointed as an Additional Director (Professional, Non-Executive) of the Company w.e.f 31st March, 2015. Subsequently, her appointment was confirmed and she was appointed as Non Executive Director by the Shareholders of the Company at the Annual General Meeting held on 30th June, 2015, liable to retire by rotation.

Further, appointment of Mr. Avinash H. Malpani and Mr. Naveen B. Mandhana as Independent Directors of the Company for a period of five consecutive years from 14th August, 2014 was confirmed by the shareholders of the Company at their Annual General Meeting held on 30th June, 2015.

After the balance sheet date:

1. 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.
2. Mr. Bhujang Kakade was appointed as an Additional Director (Non-Executive, Independent) on the Board of the Company at the meeting held on 30th May, 2016. In terms of the provisions of the Companies Act, 2013 and Rules made thereunder, he holds office upto the date of ensuing Annual General Meeting. The Company has received a notice in writing along with the requisite deposit from a member under Section 160 of the Companies Act, 2013, signifying its intention to propose the candidature of Mr. Bhujang Kakade for the office of Directors of the Company. The Board recommends his appointment.

A brief profile of Mr. Bhujang Kakade seeking appointment, nature of expertise in specific functional area, name of other public companies in which he holds directorship, membership/chairmanship of committees of the Board of Directors, particulars of the shareholding and relationship between the directors *inter-se* as stipulated under Regulation 36(3) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is appended to the Notice.

#### Details of Key Managerial Personnel:

The Company has appointed Ms. Anagha Joshi as the Company Secretary of the Company.

#### DECLARATION GIVEN BY INDEPENDENT DIRECTORS

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") stating that they meet the criteria of independence as provided therein.

#### NUMBER OF MEETINGS OF THE BOARD HELD DURING THE PERIOD

During the financial period under review, the Board met 8 (Eight) times. The details regarding the attendance and the date of Board Meetings are provided in the Corporate Governance Report.

#### COMMITTEES OF THE BOARD

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.

#### FORMAL ANNUAL EVALUATION

During the period under review, pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Nomination and Remuneration Committee adopted a formal mechanism for evaluating the performance of the Board of Directors as well as that of its Committees and individual Directors, including Chairman of the Board, Key Management Personnel/Senior Management etc. The exercise was carried out through a evaluation process covering aspects such as composition of the Board, experience, competencies, governance issues etc.

#### LISTING

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).

#### CORPORATE GOVERNANCE

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.

#### CASH FLOW STATEMENT

The Cash Flow Statement for the period ended 31st March, 2016, in conformity with the provisions of Companies Act, 2013 and Listing Regulations with the Stock Exchanges in India, is annexed hereto.

#### AUDITORS AND THEIR REPORTS

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

The Members of the Company at the 27th Annual General Meeting held on 30th June, 2015 have 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 for a term of 3 years i.e. from the conclusion of 27th Annual General Meeting until the conclusion of 29th Annual General Meeting of the Company.

Pursuant to Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014, the aforesaid appointment needs to be ratified by the members at the ensuing Annual General Meeting. Accordingly, the re-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, as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of 29th Annual General Meeting is recommended for ratification by the members.

A certificate from M/s. Khandelwal Jain & Co., Chartered Accountants, (Firm Registration No. 105049W), Mumbai, and M/s. Kadam & Co., Chartered Accountants, (Firm Registration No. 104524W), Ahmednagar that their re-appointment is within the prescribed limits under Section 141 of the Companies Act, 2013 has been obtained by the Company.

The Board recommends the ratification of re- appointment of the said Auditors at the ensuing Annual General Meeting.

**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 No. 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, 2016 and ending on 31st March, 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) excluding applicable service tax and out of pocket expenses payable to the Cost Auditor for the financial year commencing on 1st April, 2016 and ending on 31st March, 2017.

In compliance with the provisions of the Companies (Cost Audit Report) Rules, 2011 and General Circulars thereof, we hereby submit that the Company has filed the Cost Audit Report for the financial year commencing from 1st January, 2014 and ended on 31st December, 2014 on 22nd June, 2015 (due date 29th June, 2015).

**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 period ended on 31st March, 2016. The report of the Secretarial Auditor is annexed to this report as Annexure 3.

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 Key Managerial Personnel.
- ii. The notice of Board Meeting held on 12th February, 2016, was not published within the stipulated time frame due to inadvertence and communication gap between the Company and printing agency. As regards delay in publication of financial results for the Board Meeting held on 28th February, 2015 (Saturday) and 14th August, 2015 (Friday), it is submitted that these meetings were concluded late in the evening and hence the printing agency were not available to undertake the process of artwork and subsequent release on the same evening/night. As the succeeding days were Sunday and/or National Holiday (15th August 2015) it wasn't possible for either the printing agency or publication house or the Company to publish within 48 hours from the time of conclusion of meeting. Hence, the said delay is purely on the grounds of procedural delay.
- iii. The Company is in process of filing the Return of Foreign Assets and Liabilities.
- iv. Delay in filing of Annual Return in Form MGT-7 for the year ended 31st December, 2014 was due to technical difficulties in filing. The Company has filed said form.

**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 period ended on 31st March, 2016.

**ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls with reference to financial statements. During the period, such controls were tested and no reportable material weakness in the design or operation were observed.

**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 4.

**ORDERS PASSED BY REGULATORS/COURTS/ TRIBUNALS**

No material orders were passed by Regulators/ Courts / Tribunals during the period impacting 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 period 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 MANDHANA**  
DIRECTOR  
DIN: 01222013

**BHUVANG KAKADE**  
DIRECTOR  
DIN: 06383819

Place: Mumbai  
Date: 13th August, 2016

## ANNEXURE 1

## STATEMENT OF PARTICULARS OF EMPLOYEES UNDER SECTION 197 OF THE COMPANIES ACT, 2013 AND RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016

Name of the Employee	Designation	Remuneration (₹ in millions)	Qualification	Age (Years)	Experience (Years)	Date Of Joining (mm/dd/yy)	Name of the Last Employer	Position (Designation) In Last Organisation
S. S. Nerlekar	Asst. Gen. Manager	3.64	B.Com / M.B.A.	52	25	09/01/1990	Bajaj Auto Limited	Sr. Assistant
Rajendra Motilal Dunganwal*	Associate Vice President	2.80	B.COM / FCA/ AICWA	55	28	09/01/2014	Videocon Industries Limited	Associate Vice President
Jayant Pahooja	Sr. Manager	2.22	B.Tech / MBA	33	11.6	01/31/2015	Tecumseh Prod. India Private Limited	Manager
Rajesh Bhargav	Asst. General Manager	1.63	B.E (Mech)	43	22.7	09/16/1995	Patheja Forging Private Limited	GET
S. S. Savji	Sr. Executive	1.50	B.Com	49	27	03/06/1989	-	-
K. H. Belsare	Sr. Executive	1.46	M.Com	47	25	01/01/1991	-	-
Vikas H. Shetty	Manager Finance	1.45	M.Com	48	26	07/17/1990	Shalimar Industries	Accounts Clerk
Anil Zore	Sr. Officer	1.43	B.Com	55	23	09/16/1992	SLM Maneklala Industries Limited	Accounts Assistant
S. S. Awalgaoonkar	Executive	1.33	B.Com	46	26	05/20/1989	-	-
S. S. Mansabdar	Executive	1.31	M.Com	45	22	05/25/1993	-	-

\* Part of the period

- (a) Remuneration includes Basic Salary, Ex-Gratia, H.R.A., Marketing Allowance, Special Allowance, C.A., L.T.A., Leave Encashment, Medical reimbursement and Contribution to Provident fund.
- (b) The Employees are in whole-time employment of the Company and the employment is contractual in nature.
- (c) None of the employee is a relative of any director or manager of the Company.
- (d) None of the employee holds any shares.



## ANNEXURE 2

INFORMATION PURSUANT TO SECTION 197(12) OF COMPANIES ACT, 2013, READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

**1. The ratio of the remuneration of each Director/KMP to the median remuneration of the employees of the Company for the financial year**

The Independent Directors and the Non-Executive Director are paid only sitting fees for attending Board/Committee Meetings

Name of the Director and KMP	Ratio of remuneration to median remuneration of all employees	Percentage (%) increase in remuneration in the financial year 2015-16*
<b>Non-Executive Director</b>		
Mrs. Gayathri R. Girish	0.03	N.A.*
<b>Independent Directors</b>		
Mr. Subhash S. Dayama	0.28	16.76
Mr. Naveen B. Mandhana	0.27	22.35
Mr. Avinash C. Malpani	0.08	(1.54)
<b>KMP</b>		
Ms. Anagha Joshi	3.84	83.78

**Notes:**

\* The previous financial year was for 12 months commencing from 1st January, 2014 to 31st December, 2014 and the current financial period is of 15 months commencing from 1st January, 2015 to 31st March, 2016, hence the figures are not comparable. In order to make the remuneration comparable, the percentage increase in the remuneration is arrived on annualized basis instead of 15 months.

# As regards Mrs. Gayathri R. Girish, the remuneration paid in 2015-16 is not comparable since she was appointed on 31st March, 2015.

2. Percentage increase in the median remuneration of employees in the financial year – 9.28%.
3. Number of permanent employees on the roll of the Company – 908
4. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:  
Average percentile increase in salaries of employees other than managerial personnel is 25.85% while percentile increase in the managerial remuneration is 83.78%.
5. The remuneration is as per the Nomination and Remuneration Policy of the Company.



## ANNEXURE 3

### 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 1st January, 2015 to 31st March, 2016 ("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 31st March, 2016 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 as and when notified in the Official Gazette during the Audit Period for the Company.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India. The compliance regarding maintenance of records under Secretarial Standards (specifically SS-1 and SS-2) was checked only for such meetings convened in the Audit Period which were held after 1st July, 2015.
- ii. The Listing Agreements entered into by the Company with the BSE Limited and The National Stock Exchange of India Limited.

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 the Rules made thereunder.*
- ii. *During the period under review, there is delay in publication of the Notice of Board Meeting scheduled on 12th February, 2016 and in publication of financial results for the Board Meetings held on 28th February, 2015 and 14th August, 2015 in the newspaper in terms of the provisions of Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*
- iii. *As per Section III (Annexure 6) (Para 2.2d) 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.*
- iv. *The Company has delayed the filing of its Annual Return (E-Form MGT-7) for the year ended 31st December, 2014 beyond the stipulated time of 60 days from the date of the last convened Annual General Meeting held on 30th June, 2015 as set out in Section 92(4) of the Act.*

Apart from the above mentioned observation, I would like to highlight that, the Company is required to comply with the provisions of Section 138 of the Act read with Rule 13 of Companies (Accounts) Rules, 2014 regarding appointment of Internal Auditor within six months of the commencement of the Act. *The Company has in place an in-house internal audit team led by in house internal auditor to carry out the audit of internal records maintained by the Company and the said constitution/ appointment was prior to commencement of the Act. Hence, the Company was not required to file e-Form MGT-14 for appointment of Internal Auditor.*

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. The Company had passed a resolution at its Board Meeting held on 31st December, 2015 for extending its financial year by 3 months so as to end on 31st March, 2016. Subsequently, the e-form GNL-2 was filed by the Company vide SRN C74385493 dated 31st December, 2015 with the Registrar of Companies for approval of the aforementioned business.
- ii. The Company had appointed M/s MCS Limited as its Registrar and Share Transfer Agent (RTA). The shareholders were informed by way of a newspaper advertisement dated 24th September, 2015 that M/s. MCS Share Transfer Agent Limited would commence the operations as the Company's RTA in place of M/s. MCS Limited w.e.f. 1st October, 2015.

**CS Soumitra Mujumdar**

ACS 30938

CP 12363

Date: 13th August, 2016

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: 13th August, 2016  
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 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 4

### FORM NO. MGT-9

As on financial period ended 31st March, 2016

[Pursuant to Section 92(3) of Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

i. CIN	:	L99999MH1988PLC046445
ii. Registration Date	:	8th March, 1988
iii. Name of the Company	:	VALUE INDUSTRIES LIMITED
iv. Category/ Sub-Category of the Company	:	
Category	:	Company Limited by Shares
Sub-Category	:	Indian Non-Government Company
v. Address of the Registered Office and contact details	:	14 K. M. Stone, Aurangabad – Paithan Road, Village: Chittegaon, Tal: Paithan, Dist.: Aurangabad 431 105, Maharashtra, India.
Tel No.	:	+91-2431-251552/5
E-mail Id	:	secretarial_value@videoconmail.com
vi. Whether listed company	:	Yes
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	:	
Name	:	MCS Share Transfer Agent Limited
Address	:	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:

Sl. 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	100.00%

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

As on financial period ended on 31st March, 2016

Sl. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held	Applicable Section
			N.A		

#### 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 period				No. of Shares held at the end of the period				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
1. Indian									
a) Individual/HUF	2,292,605	NIL	2,292,605	5.85	2,292,605	NIL	2,292,605	5.85	NIL
b) Central Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp.	16,029,801	NIL	16,029,801	40.91	16,029,801	NIL	16,029,801	40.91	NIL
e) Banks/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any Other...	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-Total (A)(1):-	18,322,406	NIL	18,322,406	46.76	18,322,406	NIL	18,322,406	46.76	NIL
2. Foreign									
a) NRIs-Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Other-Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Banks/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Any Other...	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-Total (A)(2):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total Shareholding of Promoter(A)= (A)(1)+(A)(2)	18,322,406	NIL	18,322,406	46.76	18,322,406	NIL	18,322,406	46.76	NIL

Category of Shareholders	No. of Shares held at the beginning of the period				No. of Shares held at the end of the period				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. PUBLIC SHAREHOLDING									
1. Institutions									
a) Mutual Funds	NIL	14,276	14,276	0.04	NIL	14,276	14,276	0.04	NIL
b) Banks/FI	2,142	3,681	5,823	0.01	2,142	3,681	5,823	0.01	NIL
c) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	944,731	25	944,756	2.41	944,731	25	944,756	2.41	NIL
g) FIs	NIL	1,025	1,025	0.00	NIL	1,025	1,025	0.00	NIL
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-Total(B)(1):-	946,873	19,007	965,880	2.46	946,873	19,007	965,880	2.46	NIL
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1,521,306	37,216	1,558,522	3.98	1,395,447	37,216	1,432,663	3.66	-0.32
ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	9,071,487	4,343,936	13,415,423	34.24	NIL	NIL	NIL	NIL	NIL
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	4,693,477	NIL	4,693,477	11.98	NIL	NIL	NIL	NIL	NIL
i) Individual shareholders holding nominal share capital upto ₹2 lakh	NIL	NIL	NIL	NIL	10,061,494	4,290,623	14,352,117	36.63	NIL
ii) Individual shareholders holding nominal share capital in excess of ₹2 lakh	NIL	NIL	NIL	NIL	3,878,120	NIL	3,878,120	9.90	NIL
% Change during the year for individual shareholders	0.31								
c) Others(specify)									
i) Other Bodies Corporates	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
ii) Non-Resident Individuals	217,263	12,100	229,363	0.59	221,885	12,000	233,885	0.60	0.01
iii) Trust/Co-operative Society/ Foundation	404	200	604	0.00	404	200	604	0.00	NIL
Sub-Total (B)(2):-	15,503,937	4,393,452	19,897,389	50.78	15,557,350	4,340,039	19,897,389	50.78	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	16,450,810	4,412,459	20,863,269	53.24	16,504,223	4,359,046	20,863,269	53.24	0.00
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total(A+B+C)	34,773,216	4,412,459	39,185,675	100.00	34,826,629	4,359,046	39,185,675	100.00	0.00

## ii. Shareholding of Promoters:

Sl. No.	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	R N Dhoot	903,742	2.31	NIL	903,742	2.31	NIL	NIL
2	V N Dhoot	2,365	0.01	NIL	2,365	0.01	NIL	NIL
3	P N Dhoot	2,428	0.01	NIL	2,428	0.01	NIL	NIL
4	Kesharbai Dhoot	111,276	0.28	NIL	111,276	0.28	NIL	NIL
5	Anirudha Dhoot	557,600	1.42	NIL	557,600	1.42	NIL	NIL
6	Namrata R. Dhoot	130	0.00	NIL	130	0.00	NIL	NIL

Sl. No.	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	
7	Tanushree Biyani	130	0.00	NIL	130	0.00	NIL	NIL
8	R V Dhoot	257,750	0.66	NIL	257,750	0.66	NIL	NIL
9	Sushmabai R Dhoot	166,797	0.43	NIL	166,797	0.43	NIL	NIL
10	Akshay R Dhoot	186,917	0.48	NIL	186,917	0.48	NIL	NIL
11	Saurabh P Dhoot	103,470	0.26	NIL	103,470	0.26	NIL	NIL
12	Videocon Industries Limited	1,971,973	5.03	NIL	1,971,973	5.03	NIL	NIL
13	Dome- Bell Electronics India Private Limited	4,498,495	11.48	NIL	4,498,495	11.48	NIL	-0.06
14	Greenfield Appliances Private Limited	1,127,672	2.88	NIL	1,127,672	2.88	NIL	NIL
15	Force Appliances Private Limited	1,200,000	3.06	NIL	1,200,000	3.06	NIL	NIL
16	Waluj Components Private Limited	2,606,478	6.65	NIL	2,606,478	6.65	NIL	-0.15
17	Videocon Realty and Infrastructures Limited	300	0.00	NIL	300	0.00	NIL	NIL
18	Solitaire Appliances Private Limited	1,027,672	2.62	NIL	1,027,672	2.62	NIL	NIL
19	Synergy Appliances Private Limited	1,027,672	2.62	NIL	1,027,672	2.62	NIL	NIL
20	Platinum Appliances Private Limited	1,027,672	2.62	NIL	1,027,672	2.62	NIL	NIL
21	CE India Limited	1,541,867	3.93	NIL	1,541,867	3.93	NIL	NIL

iii. Change in Promoter's Shareholding (please specify, if there is no change):

Sr. No	Name of the Shareholder	Shareholding at the beginning and at the end of the year		Date-wise Increase/Decrease in Promoters Shareholding during the year		Reason	Cumulative shareholding during the year	
		No. of shares	% of total Shares of the Company	Date	Increase/ Decrease		No.of shares	% of total Shares of the Company
NO CHANGE								

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S r . No	Name of the Shareholder	Shareholding at the beginning and at the end of the year		Date-wise Increase/Decrease in Promoters Shareholding during the year		Reason	Cumulative shareholding during the year	
		No. of shares	% of total Shares of the Company	Date	Increase/Decrease		No. of shares	% of total Shares of the Company
1	Life Insurance Corporation of India	852,749	2.18	-	-	-	852,749	2.18
		852,749	2.18	-	-	-	-	-
2	Kuchipudi Rama Koteswara Prasad jointly Kuchipudi Rajni	260,000	0.66	-	-	-	260,000	0.66
		260,000	0.66	-	-	-	-	-
3	Vinodchandra Mansukhlal Parekh jointly Sanjeev Vinodchandra Parekh	195,716	0.50	-	-	-	195,716	0.50
		195,716	0.50	-	-	-	-	-
4	Ramakant Ramnivas Kasat	189,000	0.48	-	-	-	189,000	0.48
		189,000	0.48	-	-	-	-	-
5	Srinivasa Reddy Machupalle	0	0	31.12.2015	+ 8,102	Market Purchase	8,102	0.02
		8,102	0.02	29.01.2016	+ 62,099	Market Purchase	70,201	0.18
		70,201	0.18	26.02.2016	+54,992	Market Purchase	125,193	0.32
		125,193	0.32	31.03.2016	+26,188	Market Purchase	151,381	0.38
		151,381	0.38					
6	Yasmeen Sabrina Pinto	110,000	0.28	-	-	-	110,000	0.28
		110,000	0.28	-	-	-	-	-
7	Ramesh Chand	87,500	0.22	31.07.2015	+9,656	Market Purchase	97,156	0.25
		97,156	0.25	-	-	-	-	-



S r . No	Name of the Shareholder	Shareholding at the beginning and at the end of the year		Date-wise Increase/ Decrease in Promoters Shareholding during the year		Reason	Cumulative shareholding during the year	
		No. of shares	% of total Shares of the Company	Date	Increase/ Decrease		No. of shares	% of total Shares of the Company
8	Pushpa Devi Pagaria	74,372	0.19	01.05.2015	+5,690	Market Purchase	80,062	0.20
		80,062	0.20	28.08.2015	+14,715	Market Purchase	94,777	0.24
		94,777	0.24	-	-	-	-	-
9	Sanjay Suresh Khedkar	93,488	0.24	-	-	-	93,488	0.24
		93,488	0.24	-	-	-	-	-
10	Kalpana S Khandelwal jointly Sunil G Khandelwal	140,458	0.36	28.08.2015	-16,136	Market Sale	124,322	0.32
		124,322	0.32	30.10.2015	-23,386	Market Sale	100,936	0.26
		100,936	0.26	27.11.2015	-10,500	Market Sale	90,436	0.23
		90,436	0.23	-	-	-	-	-

#### V. INDEBTEDNESS :

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

(₹ in Million)

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal Amount	6,818.32	4,181.62	-	10,999.94
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	15.12	-	-	15.12
<b>Total (i+ii+iii)</b>	<b>6,833.44</b>	<b>4,181.62</b>	<b>-</b>	<b>11,015.06</b>
<b>Change in indebtedness during the financial year</b>				
• Addition	-	-	-	-
• Reduction	244.26	281.62	-	525.88
<b>Net Change</b>	<b>244.26</b>	<b>281.62</b>	<b>-</b>	<b>525.88</b>
<b>Indebtedness at the end 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>

#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

##### A. Remuneration to Managing Director, Whole-time Director and/or Manager :

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary u/s 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission				
	- as % of profit				
	- others, specify...	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL
	<b>Total (A)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
	Ceiling as per the Act	---	---	---	---

**B. Remuneration to other directors:**

(₹ in Millions)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
1.	<b>Independent Directors</b>	<b>Subhash Dayama</b>	<b>Naveen Mandhana</b>	<b>Avinash Malpani</b>	
	- Fee for attending board/committee meetings	0.05	0.05	0.01	0.11
	- Commission	NIL	NIL	NIL	
	- Others, please specify	NIL	NIL	NIL	
	<b>Total(1)</b>	<b>0.05</b>	<b>0.05</b>	<b>0.01</b>	<b>0.11</b>
2.	<b>Other Non-Executive Directors</b>	<b>Gayathri R. Girish</b>			
	- Fee for attending board/committee meetings	0.01			0.01
	- Commission	NIL			NIL
	- Others, please specify	NIL			NIL
	<b>Total(2)</b>	<b>0.01</b>	<b>NIL</b>	<b>NIL</b>	<b>0.01</b>
	<b>Total(B)=(1+2)</b>	<b>0.06</b>	<b>0.05</b>	<b>0.01</b>	<b>0.12</b>
	<b>Total Managerial Remuneration</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	
	Overall Ceiling as per the Act	----	----	----	

**C. Remuneration to Key Managerial Personnel other than MD/ MANAGER/ WTD :**

(₹ in Millions)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
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 u/s 17(3) Income-tax Act, 1961	-	0.74	-	0.74
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit				
	- others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>0.74</b>	<b>-</b>	<b>0.74</b>

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

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)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

## CORPORATE GOVERNANCE REPORT

As required under Clause 49 of the Listing Agreement and on the compliance with the principles of Corporate Governance as prescribed under the Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Regulations"), Corporate Governance Report forms part of this Annual Report.

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 the Report on Corporate Governance.

The Directors hereby present the Company's Report on Corporate Governance for the Financial Period ended on 31st March, 2016.

### 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 corporation 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.

The 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.

### CORPORATE GOVERNANCE BY THE COMPANY

Corporate Governance is an organized process by which companies are directed to enhance their wealth generating capacity. It includes a set of guidelines required to maintain a valuable relationship of trust with all stakeholders. Being accountable to stakeholders is a practice that is being followed by your Company. Corporate Governance also reflects the company's culture, policies, relationship with stakeholders, commitment to values and ethical business conduct. Thus, a system ensuring timely disclosures resulting in effective communication that strengthens the relation with stakeholders was and will continue to be of a paramount importance to the Company.

Corporate Governance is not 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 Management of the Company believes that a well-defined and enforced Corporate Governance system provides a structure that works for the benefit of everyone concerned by ensuring that the enterprise adheres to accepted ethical standards and best practices because Corporate Governance is more about 'intellectual honesty' than 'nominal statutory compliance'.

The Company believes that sound Corporate Governance is necessary to enhance and retain stakeholders' trust. Also, the valuation of the enterprise is majorly affected by the Corporate Governance practices which it follows. The Company continuously endeavors to enhance long-term shareholders' value and respect minority rights in all its business decisions.

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, Standing Committees and Corporate Social Responsibility Committee.

Also, over the years we have strengthened our governance practices. We look to revamp on a regular basis, our systems and policies for aligning them with the recent trends.

### BOARD OF DIRECTORS

#### Composition of the Board of Directors as on 31st March, 2016:

The Board comprises of 3 (three) Non – Executive Independent Directors, viz., Mr. Subhash Dayama, Mr. Naveen Mandhana and Mr. Avinash Malpani and 1 (one) Non- Executive Director, Mrs. Gayathri R. Girish. The Board members are the eminent persons having vast experience in the fields of Finance, Manufacturing and Marketing. None of the directors have any inter-se relations among themselves and 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 of 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 notice of the meeting sent through e-mail is also considered as valid notice.
4. The Chairman ensures that proper quorum is present throughout the meeting.
5. The Board has complete and un-qualified access to all the information available with the Company including:
  - Annual operating plans, budgets and any updates;
  - Capital budgets and any updates;
  - Quarterly/Annual results of the Company and its operating divisions or business segments;
  - Minutes of the meetings of Audit Committee and other Committees 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;
  - Establishment, operations and set up of Joint Venture, Subsidiary or Collaboration etc.,
  - Investment/Divestment of Joint Ventures, Subsidiaries;

- Acquisitions/ Amalgamation/ Re-organisation of business segments etc;
  - Compliance Reports;
  - Minutes of the Board Meetings, Annual General Meetings of Subsidiary Companies and significant transactions if any;
  - 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.
6. 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.
7. 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 steps 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](http://www.valueind.in). All Directors and Senior Management personnel have affirmed compliance with the code for the period ended 31st March, 2016. A declaration to this effect signed by the Head-Operations and Company Secretary 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 VALUE INDUSTRIES LIMITED**

**HEAD - OPERATIONS**

Date: 13th August, 2016

Place: Mumbai

**COMPANY SECRETARY**

#### Meetings of the Board of Directors:

During the year under review, the Board met 8 (eight) times on the following dates: 28th February, 2015, 31st March, 2015, 14th May, 2015, 14th August, 2015, 24th September, 2015, 14th November, 2015, 31st December, 2015 and 12th February, 2016. 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 30th June, 2015	Attendance at the Board Meeting
Mr. Subhash Dayama	Yes	8
Mrs. Gayathri R. Girish (from 31st March, 2015)	No	2
Mr. Avinash Malpani	No	3
Mr. Naveen Mandhana	No	8

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:

Name of the Director	Other Directorships		
	Directorship @	Committee Chairmanship#	Committee Membership#
Mr. Subhash Dayama	9	2	4
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.

#### 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

#### Non-Mandatory Committees:

1. Finance and General Affairs Committee
2. Corporate Social Responsibility Committee (Mandatory as per Companies Act, 2013)

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.

The functioning and terms of reference of the Audit Committee including the role, powers and duties, quorum for meeting and frequency of meetings, have been devised keeping in view the requirements of the Companies Act, 2013, the Clause 49 of the Listing Agreement and the SEBI Regulations.

#### Composition as on 31st March, 2016, 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 period under review, the Committee met 6 (six) times on the following dates: 28th February, 2015, 14th May, 2015, 14th August, 2015, 14th November, 2015, 31st December, 2015 and 12th February, 2016.

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. Subhash Dayama	Chairman	Independent	6
Mr. Avinash Malpani	Member	Independent	2
Mr. Naveen Mandhana	Member	Independent	6

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

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

- 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.
- 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.
- Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - 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;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Modified opinion(s) in the draft audit report;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - The going concern assumption;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions;
  - Observations and Qualifications in the draft audit report; and
  - Review of related party transactions.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- 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.
- Reviewing with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
- 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.
- Discussion with internal auditors about any significant findings and follow-up there on.
- 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.

- 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.
- 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.
- To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- 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.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

#### Powers of the Audit Committee includes-

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- 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:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- 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 i.e. [www.valueind.in](http://www.valueind.in).

#### STAKEHOLDERS' RELATIONSHIP COMMITTEE

(Formerly: Shareholders'/ Investors' Grievance Committee):

#### Composition as on 31st March, 2016, Meetings and Attendances:

During the period under review, the Committee met 5 (five) times on the following dates: 28th February, 2015, 14th May, 2015, 14th August, 2015, 14th November, 2015 and 12th February, 2016.

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

Name of the Director	Designation	Category	No. of Meetings Attended
Mr. Subhash Dayama	Chairman	Independent	5
Mr. Avinash Malpani	Member	Independent	2
Mr. Naveen Mandhana	Member	Independent	5

#### Compliance Officer:

Ms. Anagha Joshi, 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 also monitors violation of the Code of Conduct for prevention of insider trading.

The power of share transfer has been delegated to M/s. 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 share transfer deeds processed	161
Number of shares transferred	17,021
Average number of transfers per month	10.73
Number of demat request approved	451
Number of shares dematerialized	54,159
Percentage of shares dematerialized	0.14
Number of remat request approved	1
Number of shares rematerialized	10
Number of Sub-committee meetings held	56
Number of duplicate share certificate request	15
Number of duplicate share certificate issued	2229

During the period under review, the Company had received 188 complaints. 187 complaints were redressed to the satisfaction of the shareholders. However, there is 1 pending complaint in respect of which the Registrar has sent interim response to the investor.

➤ **NOMINATION AND REMUNERATION COMMITTEE**

(Formerly known as Remuneration Committee):

During the period under review, the Committee met 3 (three) times on the following dates: 27th February, 2015, 14th May, 2015 and 12th February, 2016.

**Composition as on 31st March, 2016, 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. Subhash Dayama	Chairman	Independent	3
Mr. Naveen Mandhana	Member	Independent	3
Mr. Avinash Malpani (upto 14.08.2015)	Member	Independent	1
Mrs. Gayathri R. Girish (from 14.08.2015)	Member	Non-Executive	1

During the period under review, Mr. Avinash Malpani ceased to be the member of the Nomination and Remuneration Committee and Mrs. Gayathri R. Girish was co-opted as the member of the said Committee in place of Mr. Avinash Malpani.

The Company Secretary acts as the de-facto Secretary of 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.

**Familiarization 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 and Non-Executive Directors during the period under review are as under:

Name	Sitting fees paid (₹)
Mr. Naveen Mandhana	52,000
Mr. Avinash Malpani	16,000
Mr. Subhash Dayama	54,000
Mrs. Gayathri R. Girish	6,000
<b>Total</b>	<b>1,28,000</b>

The Company has not issued any stock options.

➤ **RISK MANAGEMENT COMMITTEE:**

During the period under review, the Company has constituted the Risk Management Committee to monitor and review the risk management plan. Framework of the Risk Management includes:

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



- Risk Treatment
- Risk Reporting

#### Composition of the Committee:

The composition of the Committee as on 31st March, 2016, was as under:

Name	Designation	Category
Mr. Subhash Dayama	Chairman	Independent
Mr. Naveen Mandhana	Member	Independent
Mr. Avinash Malpani	Member	Independent

No meeting was held during the year under review.

#### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The composition of the Committee as on 31st March, 2016 was as under:

Name	Designation	Category
Mr. Subhash Dayama	Chairman	Independent
Mr. Naveen Mandhana	Member	Independent
Mr. Avinash Malpani	Member	Independent

No meeting was held during the year under review.

#### FINANCE AND GENERAL AFFAIRS COMMITTEE:

##### Composition as on 31st March, 2016, Meetings and Attendances:

During the year under review, 19 (nineteen) 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. Subhash Dayama	Chairman	Independent	19
Mr. Avinash Malpani	Member	Independent	6
Mr. Naveen Mandhana	Member	Independent	17

##### 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

##### Date, location and Time where the last 3 (Three) Annual General Meetings (AGM) were held:

AGM	Date	Location	Time	Number of Special Resolutions Passed
25th	27th June, 2013	14 K. M. Stone, Aurangabad – Paithan Road, Village :Chittegaon, Taluka: Paithan, District: Aurangabad – 431 105	10.30 a.m.	NIL
26th	30th June, 2014	14 K. M. Stone, Aurangabad – Paithan Road, Village :Chittegaon, Taluka: Paithan, District: Aurangabad – 431 105	10.00 a.m.	NIL
27th	30th June, 2015	14 K. M. Stone, Aurangabad – Paithan Road, Village :Chittegaon, Taluka: Paithan, District: Aurangabad – 431 105	2.00 p.m.	NIL

#### Postal Ballot

No Special resolution was passed through postal ballot during the financial period 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. 33 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 inter-alia is provided below:</p> <p>a. Shareholders' Rights: As the quarterly and half yearly results are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.</p> <p>b. Modified Opinion in Auditors Report: The Company's Financial Statements for the period ended 31st March, 2016 does not contain any modified audit opinion.</p> <p>c. Reporting of Internal Auditor: 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> <ul style="list-style-type: none"> <li>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.</li> </ul>
f)	Disclosure with respect to Demat Suspense Account/ Unclaimed Suspense Account	N.A.

## GENERAL INFORMATION FOR SHAREHOLDERS

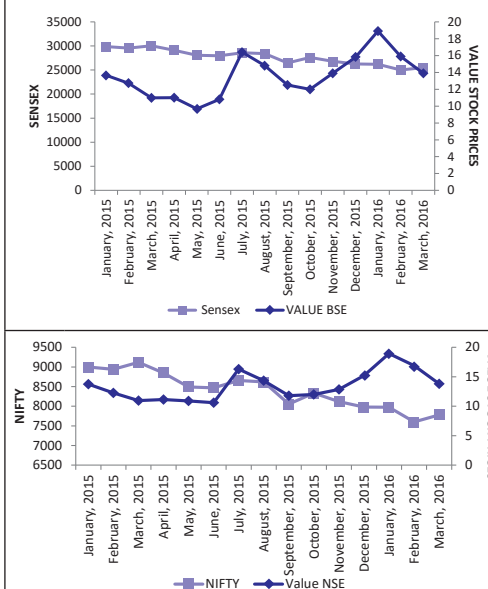
1.	Annual General Meeting	The 28th Annual General Meeting for financial period ended 31st March, 2016 shall be held on Monday, 26th September, 2016 at 10.30 a.m. at the Registered Office of the Company at 14 K.M. Stone, Aurangabad-Paithan Road, Village: Chittegaon, Taluka: Paithan, District: Aurangabad – 431 105 (Maharashtra).	
2.	Financial Calendar	Particulars	Date
		Accounting Period	1st April, 2016 – 31st March, 2017
		Unaudited financial results	Announcement within 45 days from the end of each quarter or such time limit as may be prescribed by SEBI and Stock Exchange from time to time.
		First Quarter Results	On or before 13th August, 2016
		Second Quarter Results	On or before 14th November, 2016
		Third Quarter Results	On or before 14th February, 2017
		Fourth Quarter & Audited Financial Results	On or before 30th May, 2017
		Annual General Meeting for year ending 31st March, 2017	On or before 30th September, 2017
3.	Date of Book Closure	Wednesday, 14th September, 2016 to Monday, 26th September, 2016 (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 paid Listing Fees for the year 2016-17. The Company has already paid Custodial Fees for the year 2015-16 to National Security Depository Limited and Central Depository Services (India) Limited.	
6.	Stock Code	The names and addresses of the Stock Exchanges where the equity shares of your Company continue to be listed are given below:	
		BSE Limited (BSE) 1st Floor, New Trading Ring, PhirozeJeejeebhoy 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

Average monthly High and Low Prices of Value Industries Limited ("Value Industries") at BSE and NSE are given below:

Month	BSE		NSE	
	High Price	Low Price	High Price	Low Price
January, 2015	13.65	9.66	13.75	9.80
February, 2015	12.70	9.67	12.25	9.10
March, 2015	10.98	7.50	10.95	7.70
April, 2015	11.00	8.30	11.15	8.40
May, 2015	9.68	8.35	10.90	8.50
June, 2015	10.80	8.30	10.60	8.00
July, 2015	16.40	8.61	16.30	7.45
August, 2015	14.80	10.24	14.35	10.05
September, 2015	12.50	9.67	11.80	9.15
October, 2015	12.00	9.70	12.00	9.75
November, 2015	13.89	10.45	12.85	10.40
December, 2015	15.79	11.25	15.20	11.20
January, 2016	18.90	12.90	18.95	12.15
February, 2016	15.90	9.70	16.90	10.05
March, 2016	13.90	10.66	13.80	11.25

## 8. Comparative Chart



9.	Registrar and Share Transfer Agents	MCS Share Transfer Agent Limited KashiramJamnadas Building, Office No. 21/22, Ground Floor, 5, P. D'mello Road (GhadiyalGodi), Masjid (East), Mumbai – 400 009 Tel: 022 – 23726253-55 Fax: 022 – 23726252/23726256
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 Clause 47(c) of the Listing Agreement and Regulation 7(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, entered with the Stock Exchanges, submitted within stipulated time, certificate of half yearly basis confirming due compliance of Share Transfer formalities by the Company from Practicing Company Secretary.

11.	a) Shareholding Pattern as on 31st March, 2016, 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	-	-	-
	<b>Sub-Total (A)</b>	<b>21</b>	<b>18,322,406</b>	<b>46.76</b>
(B)	Public Shareholding			
(1)	Institutions	52	965,880	2.46
(2)	Non-Institutions			
	-Bodies Corporate	525	1,432,663	3.66
	-Individuals	65,676	18,230,237	46.53
(3)	-Others	277	234,489	0.60
	<b>Sub-Total (B)</b>	<b>66,530</b>	<b>2,08,63,269</b>	<b>53.24</b>
	<b>TOTAL (A) + (B)</b>	<b>66,551</b>	<b>3,91,85,675</b>	<b>100.00</b>
(C)	Shares held by Custodians and against which depository Receipt have been issued			
(1)	Promoter and Promoter Group	-	-	-
(2)	Public	-	-	-
	<b>Sub-total (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>GRAND TOTAL (A) + (B) + (C)</b>	<b>66,551</b>	<b>3,91,85,675</b>	<b>100.00</b>

b) Distribution of Shareholding as on 31st March, 2016, is as given below:

Shareholding of Nominal Value	Number of Shareholders	% to total	No of Shares	Amount in Rs	% to Total
Up to 5000	62,844	94.430	74,78,660	7,47,86,600	19.085
5001 to 10000	1,896	2.849	15,58,660	1,55,86,600	3.978
10001 to 20000	815	1.225	12,62,666	1,26,26,660	3.222
20001 to 30000	294	0.442	7,54,501	75,45,010	1.925
30001 to 40000	141	0.212	5,07,543	50,75,430	1.295
40001 to 50000	132	0.198	6,30,980	63,09,800	1.610
50001 to 100000	202	0.304	14,84,601	1,48,46,010	3.789
100001 and above	227	0.341	2,55,08,064	25,50,80,640	65.095
<b>TOTAL</b>	<b>66,551</b>	<b>100</b>	<b>3,91,85,675</b>	<b>39,18,56,750</b>	<b>100</b>

12.	Dematerialization of Shares	The Company's Equity Shares are under compulsory demat trading by all categories of investors. As on 31st March, 2016, 3,48,26,629 Equity Shares have been dematerialized which account for 88.88% of the total equity. The entire promoter holding is in dematerialized form.
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; 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 (GhadiyalGodi), 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 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 Listing Agreement and 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 Chief Financial Officer of the Company, certify to the Board that:

- a) We have reviewed the Financial Statements and the Cash Flow Statements for the Financial Period ended on 31st March, 2016 and to the best of our knowledge and belief;
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the period 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:
  - i) Significant changes in Internal Control over financial reporting during the period;
  - ii) Significant changes in Accounting Policies, the same have been disclosed in the notes to the financial statements ; and
  - iii) 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**

Place : Mumbai  
Date : 13th August, 2016

**HEAD - FINANCE**

**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 period ended on 31st March, 2016, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with the Stock Exchanges.

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 pursuant to the Listing Agreement of the said Company with stock exchanges.

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: 13th August, 2016

**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

Your Company belongs primarily in the Consumer Electronics and Durables sector. Consumer durables' is one of the fastest growing industry segments in India. This sector attracted significant investments even during global recession. The consumer electronics market in India is characterized by technological advancements, innovative product introductions, price fluctuations and intense competition.

Indian Consumer Electronics market has been witnessing sustained double digit growth rate in the past few years. Urban markets account for the major share of total revenues in the consumer durables sector in India. Rural markets are expected to grow at a steady rate levelling expectations of the analysts. Increasing development in rural areas will augment the demand of the products.

India is a leading global opportunity for medium-term consumer electronics spending growth. Low penetration rates, even compared to other emerging markets, mean there is potential to sell to first time buyer households, as well as replacement devices to the middle class. We expect this potential to be unlocked over the medium term by a positive transformation of India's household income profile, with annual household incomes increasing yearly.

The Government has allowed 100% Foreign Direct Investment in the electronics hardware manufacturing sector under the automatic route. Since, India has been trailing behind various neighbouring countries in terms of production, quality and export of consumer appliances, performance levels of most of factors of production such as quality manpower, capital investment, infrastructure, technology etc., need to be enhanced through conscious policy interventions and managerial action to boost competitiveness of the sector.

However, price pressures due to high inflation, fuel costs, a weakening rupee and rising input prices will remain major concerns for manufacturers. National Electronics Mission and digitization of television and setting up of Electronic Hardware Technology Parks (EHTPs) is expected to boost the growth of this sector.

Economic Development is closely related with the Industrial Development of a country. Development of vast majority of the countries of the world came through Industrial development. Industrial development needs proper expansion of the infrastructural development and service sector development. Industrial development in India is aimed at satisfying the following long term objectives of Indian Plan:

1. Economic Growth
2. Self-Reliance
3. Social Justice

India is expected to become the fifth largest consumer durables market in the world by 2025.

### SEGMENT PERFORMANCE

The Company has only one segment viz. 'Consumer Electronics and Components/ parts thereof' as per the Accounting Standard on Segment Reporting (AS-17) issued by The Institute of Chartered Accountants of India.

### PRODUCT WISE PERFORMANCE

The Company is primarily engaged in the business of manufacturing and trading of its following products:

#### Washing Machines:

For those who have a vague understanding of the divide between rich and poor in our country, we can see that everyone has a general idea of the line that divides and defines Luxury and Necessity in modern India- Westernisation.

The washing machine is no more a privilege. It is 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 and trendy. In pursuit to automate household chores, washing machines have contributed significantly.

Thanks to the present political scenario in our country, various initiatives are resulting in higher per capita income of the citizens thereby leaving them with enough money to spare. Also, the banking institutions have strengthened their hold over their schemes making it more reliable and hence, lucrative. 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.

Washing machine continues to be one of the products which have remarkable potential for growth in the next few years. The penetration of this product is still on lower side as compared to LED/LCD sets, Refrigerators and has very high potential for growth. In wake of this your Company continues to take up numerous projects to enhance the capacity and upgrade the existing line up in a big way.

With the continuous change in the business environment and positive sentiments in market, this product is going to grow rapidly and take big strides. Keeping in mind the ever-changing needs and taste of vibrant and tech-savvy buyers who prefer modern, up-to-date looking products that are not only meant for usability but a symbol of social status has brought a new enthusiasm in the market.

The Washing Machine not only has become a day to day life requirement but also symbolizes the status and environmental awareness of the users.

To address the needs of a spectrum of end users, your Company is focusing on introduction of modern Front Loading, Top loading Fully Automatic and Semi-Automatic washing machines which are convenient for use, with tangible usability features utilizing lesser resources and provide excellent wash performance.

The products which are introduced recently have following features:

- Upgraded range of Digi Pearl series from 6.2 kg to 7.0 kg Fully Automatic Washing Machines with vibrant colors and aesthetically superior looks, multiple wash selection option, lesser water consumption and higher performance.
- Upgraded range of Digi Gracia series from 5.5 kg to 6.5 kg Fully Automatic 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 Semi-Automatic 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.

Research and Development (R&D) is continuously upgrading its systems and working on new projects of washing machines which are modern, eco-friendly 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 norm. All washing machines offered by your Company are BEE star rated, which highlights the energy efficiency of the product. Also, the energy efficient motors used in the machines allow the customers to save on their monthly budgets.

#### Refrigerators:

Refrigerator for long has remained a high involvement product at the time of purchase but once at home and in use, the utility aspect takes an edge over. There have been constant improvements on energy efficiency and cooling aspect and new technologies have been evident across all categories. We are manufacturing 5 star rated high energy efficiency DC refrigerators as the customers are now well abreast of the significance of the same.

Entirely new range of High Efficiency Platinum Series DC refrigerators having capacity 190L, 215L & 245L are launched this year with new look.

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

- India's 1st "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 & preserving 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:** Since the BEE norms will be further changed by 40% reduction in 2017 we will be further upgrading our products and Plant setup to suit these norms. For this purpose 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.

#### Air Conditioners (ACs):

While human desire to control the indoor environment led to the invention of air conditioning system, growth in population, rising middle income group and nuclear families, increase in commercial applications have led to rapid proliferation in the air conditioning sector.

The perception of the people towards this product category has experienced the shift from luxury based product to a need based product. ACs are no longer treated as status symbols but a necessity.

Your Company, keeping in mind the market trend has introduced the ACs with eco-friendly, low noise, healthier air and five star rated energy efficient models.

Some of the latest features of ACs are:

- Introduction of super alloy condenser which makes AC more durable and efficient.
- Introduction of Auto Restart function.
- Introduction of Auto Clean feature which automatically cleans off the dust and bacteria in the filter.
- AC on Wifi – New Design model called Aryabot is operated through mobile phone with its value added features.
- Introduction of dehumidification function which helps in controlling the humidity and moisture levels outside.

#### STRATEGY AND OUTLOOK

The demand for the products under the Consumer Appliances and Electronics segment will get a big push in view of 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.

With advent of an era of Start ups in the field of Science and Technology, newer and easier methods are coming in the limelight of industries. Also, the laws relating to Intellectual Property is receiving much credence. Thus, identifying right kind of technology for automating processes and monopolizing it to the best of our advantage is on the checklist.

Your Company will have to supplement Quality of products with aesthetics. As the youth of our Country has started exploring multiple avenues for earning money, the appeal of the product will have to match their mindset.

The Company plans to achieve this with a flexible strategy, powerful technology, productive management and a cutting edge online presence.

#### OPPORTUNITIES AND THREATS

Washing machines, Refrigerators and Air Conditioners represent a product category where advantages accrued are directly proportional to the age of the product. Your Company has been in this industry for over several decades. The product is put to test immediately when it enters the consumers abode. 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. Likewise, the Company is optimistic about its future in the industry but also understands and perceives certain threats.

##### Opportunities:

- Green initiatives and high star rated products/ energy efficient products have started to become a factor in decision making.
- Consumer’s faith and reliability in the new political set up of our Country.
- Better regulation of financial schemes of Banks and other financial institutions.
- Improved B2B and B2C connectivity.
- Lack of hesitation while trying new products.
- Increase in per capita income of the citizens.

##### Threats:

- High inflation resulting in increase in procurement costs.
- Frequently changing trends resulting in lack of stability.
- Competition by foreign entities.
- Identifying, attracting and retaining human capital.
- Matching the sustainability of a product with its cost.

#### FINANCIAL PERFORMANCE

##### INCOME

###### Sales:

During the 15 months period under consideration, the Company achieved Gross Sales of ₹ 19,991.15 Million as against ₹ 15,594.88 Million for the year ended 31st December, 2014.

###### Other Income:

Other Income amounted to ₹ 95.33 Million for the 15 months period ended on 31st March, 2016 and ₹ 18.04 Million for the year ended on 31st December, 2014. Other Income comprises of investment income, profit on sale of fixed assets, insurance claim received and other Non operating income.

##### EXPENDITURE

###### Cost of Goods Consumed/sold:

Cost of goods consumed/sold amounted to ₹ 15,866.61 Million for the 15 months period ended 31st March, 2016 and ₹ 12,638.22 Million for the year ended on 31st December, 2014.

###### Employee Benefits Expense:

During the period under review, employee benefits expenses were ₹ 491.13 Million as against ₹ 418.28 Million for the year ended on 31st December, 2014.

###### Other Expenses:

During the period under review, other expenses were ₹ 1,030.48 Million as against ₹ 899.96 Million for the year ended on 31st December, 2014.

###### Finance Costs:

For the period under review, finance costs amounted to ₹ 1,199.06 Million as against ₹ 957.37 Million for the year ended on 31st December, 2014.

###### Depreciation and Amortization:

Depreciation and Amortization amounted to ₹ 990.58 Million as against ₹ 779.64 Million for the year ended on 31st December, 2014.

###### Loss before Tax:

The loss before tax was ₹ 390.56 Million for the 15 months period ended 31st March, 2016, as against the loss of ₹ 543.32 Million for the year ended on 31st December, 2014.



## Net Loss:

Net Loss for the period amounted to ₹ 333.86 Million as against the loss of ₹ 437.88 Million for the year ended 31st December, 2014.

## Earnings per Share:

The earnings per share of the Company for the period ended 31st March, 2016, amounted to ₹ (8.52) as against ₹ (11.17) for the year ended 31st December, 2014.

## 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:

- Cross border competition;
- Global political instability;
- Increasing terror attacks affecting social conditions;
- Changing technology;
- High inflation with respect to increase in procurement costs;
- Increasing formalities with respect to claiming warranty;
- Increasing number of participants;
- Changing consumer needs;
- Compliance and Regulatory fluctuations; and
- Attrition of key staff.

## 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.

## HUMAN RESOURCE MANAGEMENT

The success of an organization largely depends upon the quantity and quality of the Human Resource (HR) 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 in place that is constantly focus 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 in 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 week-end Celebrations – monthly event
- Smiley Concept – instant recognition
- Rewards & Recognitions – Monthly, Quarterly & Yearly mode

The total staff strength of the Company for the financial period ended 31st March, 2016 is around 900.

## 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

#### 1. 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 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the 15 months period ended on that date, and a summary of significant accounting policies and other explanatory information.

#### 2. 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

#### 3. 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.

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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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.

#### 4. 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 31st March, 2016, and its loss and its cash flows for the period ended on that date.

#### 5. Report on Other Legal and Regulatory Requirements

- A. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
- B. As required by section 143(3) of the Act, 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act;
  - f) With respect to the other matters to be included in the Auditor's 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. 34 to the financial statements.
    - ii) The Company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses.
    - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the period ended 31st March, 2016.

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

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

Place : Mumbai  
Date : 30th May, 2016

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

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

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 5A of Independent Auditors' Report of even date to the Members of VALUE INDUSTRIES LIMITED ("the Company") on the Financial Statements as of and for the 15 months period ended 31st March, 2016)

- (i) (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, the physical verification of fixed assets, has been carried out by the management at reasonable intervals 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 the nature of its business.
- (ii) (a) As per the information and explanation given to us, the inventories have been physically verified during the period by the management at reasonable intervals. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventories. As per the information and explanations given to us, the discrepancies noticed on physical verification of stocks were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- (iii) As per the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public. Therefore, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub-section (1) of section 148 of the Act, and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the 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, Wealth tax, Service tax, Custom duty, Excise duty, Value added tax, Cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31st March, 2016 for a period of more than six months from the date they became payable.
- (b) According to the records of the Company examined by us and information and explanations given to us, the particulars of dues of Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty, Value added tax, Cess which have not been deposited on account of any 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)	2.54 4.37 5.46	CESTAT Commissioner Deputy Commissioner
2. Central Excise Act, 1944	Excise Duty (including Penalty)	1.00 66.06 2.81 0.50	CESTAT Commissioner Addl. Commissioner Asst. Commissioner
3. Finance Act, 1994 (Service tax Provisions)	Service Tax	1.00	Asst. Commissioner
4. Sales Tax Act of various States	Sales Tax	0.54 3.58 0.12 49.27 2.36	Commissioner Dy. Commissioner (Appeal) Joint Commissioner Deputy Commissioner High-Court
5. Income Tax Act, 1961	Income Tax	66.82	CIT Appeal

- (c) In our opinion and according to the information and explanations given to us, the amounts required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time.
- (viii) There are accumulated losses of ₹ 1,250.82 Million as on 31st March, 2016 which are not more than fifty percent of its net worth. The Company has not incurred cash losses during the financial period and the immediately preceding financial year.
- (ix) Based on our audit procedures and the information and explanations given to us, it is observed that, the Company has defaulted in repayment of dues to financial institutions or banks or debenture holders which are summarized below:
- | Particulars   | Principal Amount<br>(₹ in Million) | Interest Amount<br>(₹ in Million) | Delay in Days<br>– Range |
|---|------------------------------------|-----------------------------------|--------------------------|
| Amount paid before the period end                               | 32.32                              | 184.51                            | 1 to 13 Days             |
| Amount outstanding as at 31st March, 2016 and subsequently paid | 6.00                               | 13.87                             | 1 to 30 Days             |
- (x) According to the information and explanations given to us, the terms and conditions of guarantees / securities given by the Company for loans taken by others from banks or financial institutions are *prima facie* not prejudicial to the interest of the Company.
- (xi) According to the information and explanations given to us, the term loans raised during the period were applied, on an overall basis, for the purposes for which the loans were obtained.
- (xii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the period.

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 : 30th May, 2016

## BALANCE SHEET AS AT 31ST MARCH, 2016

(₹ in Million)

Particulars	Note No.	As at 31st Mar., 2016	As at 31st Dec., 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>1) Shareholders' Funds</b>			
a) Share Capital	2	391.86	391.86
b) Reserves and Surplus	3	2,058.23	2,392.09
		2,450.09	2,783.95
<b>2) Grant for Ozone Projects</b>	4	35.38	6.68
<b>3) Non-Current Liabilities</b>			
a) Long Term Borrowings	5	2,164.51	2,240.71
b) Deferred Tax Liability (Net)	6	481.90	524.21
c) Other Long Term Liabilities	7	-	37.71
d) Long Term Provisions	8	13.21	15.39
		2,659.62	2,818.02
<b>4) Current Liabilities</b>			
a) Short Term Borrowings	9	8,226.45	8,729.70
b) Trade Payables	10	1,699.33	1,772.11
c) Other Current Liabilities	11	244.04	262.52
d) Short Term Provisions	12	62.90	60.82
		10,232.72	10,825.15
<b>TOTAL</b>		15,377.81	16,433.80
<b>II. ASSETS</b>			
<b>1) Non-Current Assets</b>			
a) Fixed Assets			
i) Tangible Assets	13	5,469.13	6,345.76
ii) Intangible Assets	13	3.26	8.03
iii) Capital work-in-progress	13	186.98	288.49
b) Non-Current Investments	14	359.15	445.11
c) Long Term Loans and Advances	15	76.41	70.03
		6,094.93	7,157.42
<b>2) Current Assets</b>			
a) Inventories	16	6,144.93	6,215.36
b) Trade Receivables	17	2,460.64	2,477.10
c) Cash and Bank Balances	18	223.04	150.98
d) Short Term Loans and Advances	19	447.41	426.43
e) Other Current Assets	20	6.86	6.51
		9,282.88	9,276.38
<b>TOTAL</b>		15,377.81	16,433.80
<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 AccountantsFor **KADAM & CO.**  
Chartered Accountants

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**ANAGHA JOSHI**  
Company Secretary  
Membership No. : A30976**N. B. MANDHANA**  
Director  
DIN: 01222013Place: Mumbai  
Date : 30th May, 2016

## STATEMENT OF PROFIT AND LOSS FOR THE PERIOD 1ST JANUARY, 2015 TO 31ST MARCH, 2016

(₹ in Million)

Particulars	Note No.	15 Months ended on 31st Mar., 2016	Year ended on 31st Dec., 2014
<b>I. INCOME</b>			
Revenue from Operations	21	19,991.15	15,594.88
Less: Excise Duty		899.18	462.77
Net Revenue from Operations		19,091.97	15,132.11
Other Income	22	95.33	18.04
<b>Total Income</b>		<b>19,187.30</b>	<b>15,150.15</b>
<b>II. EXPENSES</b>			
Cost of Materials Consumed	23	7,220.20	5,626.98
Purchase of Stock-in-Trade	24	8,589.35	7,146.21
Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	25	57.06	(134.97)
Employee Benefits Expense	26	491.13	418.28
Finance Costs	27	1,199.06	957.37
Depreciation and Amortisation Expense	13	990.58	779.64
Other Expenses	28	1,030.48	899.96
<b>Total Expenses</b>		<b>19,577.86</b>	<b>15,693.47</b>
<b>III. PROFIT/(LOSS) BEFORE TAX</b>		<b>(390.56)</b>	<b>(543.32)</b>
<b>IV. TAX EXPENSES</b>			
Current Tax		-	-
Deferred Tax		(42.31)	(105.44)
(Excess)/Short Provision of Income Tax for earlier years		(14.39)	-
<b>V. PROFIT/(LOSS) FOR THE PERIOD/YEAR</b>		<b>(333.86)</b>	<b>(437.88)</b>
<b>VI. EARNINGS PER EQUITY SHARE OF FACE VALUE ₹10/- EACH</b>			
Basic and Diluted	29	(8.52)	(11.17)
<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

For **KADAM & CO.**  
Chartered Accountants

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

**ANAGHA JOSHI**  
Company Secretary  
Membership No. : A30976

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

Place: Mumbai  
Date : 30th May, 2016

## CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2016

(₹ in Million)

Particulars	15 Months ended on 31st Mar., 2016	Year ended on 31st Dec., 2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before Tax	(390.56)	(543.32)
Adjustments for:		
Depreciation and Amortisation	990.58	779.64
Finance Costs	1,199.06	957.37
Provision for Warranty and Maintenance Expenses	1.54	(3.80)
Provision for Gratuity	(0.62)	(1.13)
Provision for Leave Encashment	(1.02)	0.67
Interest Received	(26.75)	(12.76)
Loss/(Income) from Investments and Securities Division	32.28	(0.01)
(Profit)/Loss on Sale of Fixed Assets	(56.48)	0.38
Adjustment of Grant	(9.21)	(1.61)
<b>Operating Profit before Working Capital Changes</b>	<b>1,738.82</b>	<b>1,175.43</b>
Adjustments for:		
Inventories	70.43	9.50
Trade Receivables	16.46	(35.02)
Loans and Advances	(4.09)	(4.13)
Other Current Assets	(0.35)	1.13
Trade Payables	(72.78)	8.19
Other Current/Long Term Liabilities	(94.98)	6.65
Cash generated from Operations	1,653.51	1,161.75
Less: Taxes Paid/(Refund)-net	8.88	2.14
<b>Net Cash from Operating Activities</b>	<b>(A) 1,644.63</b>	<b>1,159.61</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Fixed Assets	71.38	2.36
Purchase of Fixed Assets (Including Capital Work-in-Progress)	(22.57)	(131.41)
Grant received for Ozone Projects	37.91	-
Interest Received	26.75	12.76
(Increase) in Fixed Deposits and Other Bank Balances	(29.65)	(9.86)
(Loss)/Income from Investments and Securities Division	(32.28)	0.01
(Increase)/Decrease in Investments (Net)	85.96	(132.58)
<b>Net Cash from/(used in) Investing Activities</b>	<b>(B) 137.50</b>	<b>(258.72)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) in Long Term Borrowings	(36.26)	(4,119.71)
Increase/(Decrease) in Short Term Borrowings	(503.25)	4,165.60
Finance Costs	(1,199.06)	(957.37)
Payment of Dividend	(1.15)	(0.89)
<b>Net Cash (used in) Financing Activities</b>	<b>(C) (1,739.72)</b>	<b>(912.37)</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>(A+B+C) 42.41</b>	<b>(11.48)</b>
Cash and Cash Equivalents at the beginning of the period/year	35.50	46.98
Cash and Cash Equivalents at the end of the period/year	77.91	35.50
Other Bank Balances	145.13	115.48
Cash and Bank Balances at the end of the period/year (Note No. 18)	223.04	150.98

As per our report of even date

For **KHANDELWAL JAIN & CO.**  
Chartered Accountants

For **KADAM & CO.**  
Chartered Accountants

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

**ANAGHA JOSHI**  
Company Secretary  
Membership No. : A30976

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

Place: Mumbai  
Date : 30th May, 2016



## 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 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 December, 2014 - 55,000,000) Equity Shares of ₹ 10/- each

7,500,000 (As at 31st December, 2014 - 7,500,000) Redeemable Preference Shares of ₹ 100/- each

### Issued, Subscribed and Paid-up:

39,185,675 (As at 31st December, 2014 - 39,185,675) Equity Shares of ₹ 10/- each fully paid-up

	(₹ in Million)	
	As at 31st Mar., 2016	As at 31st Dec., 2014
	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 period/year

Add: Issued during the period/year

Outstanding at the end of the period/year

As at 31st March, 2016		As at 31st December, 2014	
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:**

- a) 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.
- b) 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**

- a) Dome-Bell Electronics India Private Limited
- b) Waluj Components Private Limited
- c) Videocon Industries Limited

As at 31st March, 2016		As at 31st December, 2014	
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 period/year

		(₹ in Million)	
		As at 31st Mar., 2016	As at 31st Dec., 2014
(a)		3.64	3.64
		3.64	3.64
(b)		780.76	780.76
		780.76	780.76
(c)		899.03	899.03
		899.03	899.03
(d)		1,625.62	1,625.62
		1,625.62	1,625.62
(e)		(916.96)	(479.08)
		(333.86)	(437.88)
(e)		(1,250.82)	(916.96)
	Total (a to e)	2,058.23	2,392.09

**4. GRANT FOR OZONE PROJECTS**

As per last Balance Sheet

Add: Received during the period/year

Less: Allocated to Income

Balance at the end of period/year

6.68	8.29
37.91	-
9.21	1.61
35.38	6.68

During the period, the Company has received a new grant for Ozone Projects aggregating to ₹ 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)			
		As at 31st March, 2016		As at 31st December, 2014	
		Non-Current	Current	Non-Current	Current
5. LONG-TERM BORROWINGS	a) Secured				
	Rupee Term Loans from Banks	2,164.51	69.47	2,239.76	23.15
	Vehicle Loan from Banks	-	-	-	0.71
	(a)	2,164.51	69.47	2,239.76	23.86
	b) Unsecured				
	Loan from Others	-	-	0.95	5.67
	(b)	-	-	0.95	5.67
	Total (a+b)	2,164.51	69.47	2,240.71	29.53

**5.1 Secured Loans:****a) 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, 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 Videocon International Electronics Limited.

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. 35).

**b) Vehicle Loan from Banks are secured by way of hypothecation of vehicles acquired out of the said loan.****5.2 Maturity Profile:**

Financial Year 2017-18
Financial Year 2018-19
Financial Year 2019-20
Financial Year 2020-21
Financial Year 2021-22
Financial Year 2022-23

(₹ in Million)

Secured
Rupee Term Loans from Banks
92.66
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, 2016 are as follows:**

Particulars	₹ Million	Period of Delays
Principal amount of Term Loans	6.00	1 Day
Interest on Term Loans	13.87	1 to 30 Days

**6. DEFERRED TAX LIABILITY (Net)****a) Deferred Tax Liability**

Related to Depreciation on Fixed Assets and Amortisation

**b) Deferred Tax Assets**

- Expenses charged in the financial statements but allowable as deduction in future years under the Income Tax Act, 1961
- Related to unabsorbed depreciation and losses

Net Deferred Tax Liability

(₹ in Million)

	As at 31st Mar., 2016	As at 31st Dec., 2014
(a)	891.10	846.27
	891.10	846.27
i)	20.94	10.85
ii)	388.26	311.21
(b)	409.20	322.06
(a-b)	481.90	524.21

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

		(₹ in Million)	
		As at 31st Mar., 2016	As at 31st Dec., 2014
<b>7. OTHER LONG-TERM LIABILITIES</b>			
Security Deposits from Dealers		-	37.71
<b>Total</b>		<b>-</b>	<b>37.71</b>
<b>8. LONG-TERM PROVISIONS</b>			
Provision for Gratuity (Refer Note No. 32B)		8.08	9.28
Provision for Leave Encashment (Refer Note No. 32B)		5.13	6.11
<b>Total</b>		<b>13.21</b>	<b>15.39</b>
<b>9. SHORT-TERM BORROWINGS</b>			
<b>Secured</b>			
Working Capital Loans from Banks		4,326.45	4,554.70
<b>(a)</b>		<b>4,326.45</b>	<b>4,554.70</b>
<b>Unsecured</b>			
Loans repayable on demand: From Others		3,900.00	4,175.00
<b>(b)</b>		<b>3,900.00</b>	<b>4,175.00</b>
<b>Total (a+b)</b>		<b>8,226.45</b>	<b>8,729.70</b>

**9.1** 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 Mar., 2016	As at 31st Dec., 2014
<b>10. TRADE PAYABLES</b>			
Micro, Small and Medium Enterprises		110.77	15.90
Others		1,588.56	1,756.21
<b>Total</b>		<b>1,699.33</b>	<b>1,772.11</b>
<b>10.1 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 period/year		110.76	15.90
b) Interest due thereon as at the end of the period/year		0.11	0.08
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 period/year		1.58	2.21
d) Interest due and payable for the period of delay in making payment		0.11	0.08
e) Interest accrued and remaining unpaid at the end of the period/year		0.11	0.08
f) Further interest remaining due and payable even in the succeeding years, until 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 Mar., 2016	As at 31st Dec., 2014
<b>11. OTHER CURRENT LIABILITIES</b>			
Current maturities of Long Term Borrowings (Refer Note No. 5)		69.47	29.53
Bank Overdraft as per Books		-	0.84
Interest accrued but not due on Borrowings		14.88	15.12
Interest accrued and due on Borrowings		13.87	-
Unclaimed Dividend		5.28	6.43
Security Deposits from Dealers		-	17.81
Other Payables		140.54	192.79
<b>Total</b>		<b>244.04</b>	<b>262.52</b>
<b>12. SHORT-TERM PROVISIONS</b>			
Provision for Warranty and Maintenance Expenses (Refer Note No. 31)		58.71	57.17
Provision for Gratuity (Refer Note No. 32B)		3.79	3.21
Provision for Leave Encashment (Refer Note No. 32B)		0.40	0.44
<b>Total</b>		<b>62.90</b>	<b>60.82</b>

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

## 13. FIXED ASSETS

(₹ in Million)

Particulars	Gross Block			Depreciation/Amortisation/Impairment				Net Block	
	As at 31st Dec., 2014	Additions	Deductions/ Adjustments	As at 31st Mar., 2016	As at 31st Dec., 2014	For the period	Deductions/ Adjustments	As at 31st Mar., 2016	As at 31st Dec., 2014
<b>i) Tangible Assets</b>									
Freehold Land	8.14	-	-	8.14	-	-	-	8.14	8.14
Building	1,635.63	-	15.05	1,620.58	540.53	36.83	1.90	575.46	1,045.12
Plant and Machinery	15,939.96	119.60	4.22	16,055.34	10,815.72	919.39	3.74	11,731.37	4,323.97
Electrical Installation	107.41	0.67	-	108.08	92.74	3.83	-	96.57	11.51
Computers	39.44	0.39	-	39.83	37.00	1.85	-	38.85	0.98
Furniture and Fixtures	123.68	1.99	1.74	123.93	43.03	12.87	0.47	55.43	68.50
Office Equipments	34.13	1.40	-	35.53	16.95	10.03	-	26.98	8.55
Vehicles	12.96	-	-	12.96	9.62	0.98	-	10.60	2.36
<b>Total (i)</b>	<b>17,901.35</b>	<b>124.05</b>	<b>21.01</b>	<b>18,004.39</b>	<b>11,555.59</b>	<b>985.78</b>	<b>6.11</b>	<b>12,535.26</b>	<b>5,469.13</b>
<b>ii) Intangible Assets</b>									
Computer Software	37.99	0.03	-	38.02	29.96	4.80	-	34.76	3.26
<b>Total (ii)</b>	<b>37.99</b>	<b>0.03</b>	<b>-</b>	<b>38.02</b>	<b>29.96</b>	<b>4.80</b>	<b>-</b>	<b>34.76</b>	<b>8.03</b>
<b>Total (i+ii)</b>	<b>17,939.34</b>	<b>124.08</b>	<b>21.01</b>	<b>18,042.41</b>	<b>11,585.55</b>	<b>990.58</b>	<b>6.11</b>	<b>12,570.02</b>	<b>5,472.39</b>
Previous year as at 31st Dec., 2014	17,863.76	79.34	3.76	17,939.34	10,806.93	779.64	1.02	11,585.55	6,353.79
<b>iii) Capital Work-in-Progress</b>	<b>288.49</b>			<b>186.98</b>				<b>186.98</b>	<b>288.49</b>

(₹ in Million)

## 14. NON-CURRENT INVESTMENTS

**QUOTED****In Equity Shares (Fully Paid-up) - Trade**

Videocon Industries Limited

Face Value	As at 31st March, 2016		As at 31st December, 2014	
	No. of Shares	₹ in Million	No. of Shares	₹ in Million
₹ 10	35,411	7.61	435,411	93.57
		7.61		93.57
<b>In Equity Shares (Fully Paid-up) - Others</b>				
Punj Lloyd Limited	₹ 2	500	500	0.03
Sri Laxmi Saraswati Textiles Limited	₹ 10	11,800	11,800	0.16
Hindustan Adhesive Limited	₹ 10	14,200	14,200	0.09
India Steel Works Limited	₹ 1	7,500	7,500	0.02
		0.30		0.30
<b>UNQUOTED</b>				
<b>In Equity Shares (Fully Paid-up) - Trade</b>				
Applicomp (India) Limited	₹ 10	22,970,000	22,970,000	229.70
Century Appliances Limited	₹ 10	990,000	990,000	9.90
Force Appliances Private Limited	₹ 10	1,360,000	1,360,000	54.00
Indian Refrigerator Company Limited	₹ 10	849,930	849,930	8.50
Millennium Appliances India Limited	₹ 10	10,000	10,000	0.10
		302.20		302.20
<b>In Equity Shares (Fully Paid-up) - Others</b>				
Digital Display Devices S.p.A.	€ 1	36,000	36,000	1.956
Holzmann Videocon Engineers Limited	₹ 10	340,600	340,600	-
Jupiter Corporation Inc.	US\$ 1	190	190	0.008
Kores (India) Limited	₹ 10	305,000	305,000	0.305
Mars Overseas Limited	US\$ 1	190,000	190,000	7.649
P T Videocon Indonesia	US\$ 50	475	475	0.941
Powerking Corporation Limited	US\$ 1	2,717	2,717	0.129
Quadrant Corporation Inc.	US\$ 1	190	190	0.009
Sapphire Overseas Inc.	US\$ 1	1,900	1,900	0.082
Taurus Overseas Inc.	US\$ 1	190	190	0.008
Trend Limited	US\$ 1	76,000	76,000	3.490
Tusker Overseas Inc.	US\$ 1	190	190	0.008
VCIL Netherlands B.V.	€ 100	34	34	0.129
Venus Corporation Limited	US\$ 1	2,983	2,983	0.142
Cristal (Cayman) Limited	US\$ 1	579,500	579,500	28.653
Videocon (Mauritius) Infrastructure Ventures Limited	US\$ 1	100,700	100,700	4.919
Videocon Realty Private Limited	₹ 10	2,500	2,500	0.025
Titan Realty Private Limited	₹ 10	2,500	2,500	0.025
Videocon Sez Infrastructures Private Limited	₹ 10	2,500	2,500	0.025



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

(₹ in Million)

Face Value	As at 31st March, 2016		As at 31st December, 2014	
	No. of Shares	₹ in Million	No. of Shares	₹ in Million
Veronica Properties Private Limited	₹ 10	2,500	2,500	0.025
Bombay Mercantile Co-Operative Bank Limited	₹ 10	500	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	50,000	0.50
		0.50		0.50
<b>Total Non-Current Investments</b>		359.15		445.11
Aggregate amount of Quoted Investments		7.91		93.87
Aggregate Market value of Quoted Investments		4.67		70.81
Aggregate amount of Unquoted Investments		351.24		351.24

(₹ in Million)

	As at 31st Mar., 2016	As at 31st Dec., 2014
<b>15. LONG TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Capital Advances	0.28	0.30
Security Deposits	2.61	18.71
Other Deposits	31.63	32.40
MAT Credit Entitlement	1.72	1.72
Advance Income Tax (Net of Provision)	40.17	16.90
<b>Total</b>	<b>76.41</b>	<b>70.03</b>
<b>16. INVENTORIES</b>		
(As taken, valued and certified by the Management)		
Raw Materials including Consumables, Stores and Spares	4,371.25	4,259.10
Raw Materials in Transit and in Bonded Warehouse	35.24	160.76
Work-in-Process	1,423.84	1,359.10
Finished Goods and Stock in Trade	314.60	436.40
	<b>6,144.93</b>	<b>6,215.36</b>
<b>17. TRADE RECEIVABLES</b>		
(Unsecured, considered good)		
Outstanding for a period exceeding six months	17.62	2.79
Others	2,443.02	2,474.31
	<b>2,460.64</b>	<b>2,477.10</b>
<b>18. CASH AND BANK BALANCES</b>		
<b>a) Cash and Cash Equivalents</b>		
Cash on hand	0.52	2.44
Balances with Banks in Current Accounts	77.39	33.06
<b>(a)</b>	<b>77.91</b>	<b>35.50</b>
<b>b) Other Bank Balances</b>		
In Dividend Warrant Accounts	5.28	6.43
In Fixed Deposits (held as margin money for credit facilities and other commitments)		
- Maturity 12 months or less	101.94	84.92
- Maturity more than 12 months	37.91	24.13
<b>(b)</b>	<b>145.13</b>	<b>115.48</b>
<b>Total (a+b)</b>	<b>223.04</b>	<b>150.98</b>
<b>19. SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Balance with Central Excise/Customs Department	2.02	13.03
Other Short Term Loans and Advances	445.39	413.40
<b>Total</b>	<b>447.41</b>	<b>426.43</b>
<b>20. OTHER CURRENT ASSETS</b>		
Interest Accrued	6.86	6.51
<b>Total</b>	<b>6.86</b>	<b>6.51</b>

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

(₹ in Million)

**21. REVENUE FROM OPERATIONS**

	15 Months ended on 31st Mar., 2016	Year ended on 31st Dec., 2014
Sale of Products - Electrical and Electronic items	19,966.46	15,546.64
Income from Services	14.01	18.27
Other Operating Revenue	10.68	29.97
<b>Total</b>	<b>19,991.15</b>	<b>15,594.88</b>

**22. OTHER INCOME**

Interest Income	26.75	12.76
Income from Investments and Securities Division (Refer Note No. 30.1)	-	0.01
Profit on Sale of Fixed Assets	56.48	-
Insurance Claim Received	-	2.57
Exchange Rate Fluctuation	1.93	-
Other Non Operating Income	10.17	2.70
<b>Total</b>	<b>95.33</b>	<b>18.04</b>

**23. COST OF MATERIALS CONSUMED**

	15 Months ended on 31st Mar., 2016		Year ended on 31st Dec., 2014	
	Percentage	₹ in Million	Percentage	₹ in Million
Imported	12.54	905.44	12.72	715.85
Indigenous	87.46	6,314.76	87.28	4,911.13
<b>Total</b>	<b>100.00</b>	<b>7,220.20</b>	<b>100.00</b>	<b>5,626.98</b>

(₹ in Million)

**23.1 Particulars of Materials Consumed**

Plastic Raw Materials and Components	1,123.23	960.21
Electrical and Electronic Components	4,333.96	3,335.98
Other Raw Materials and Components	1,763.01	1,330.79
<b>Total</b>	<b>7,220.20</b>	<b>5,626.98</b>

**24. PURCHASES OF STOCK-IN-TRADE**

Electrical and Electronic items	8,589.35	7,146.21
<b>Total</b>	<b>8,589.35</b>	<b>7,146.21</b>

**25. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE****Closing Inventories**

Finished Goods and Stock-in-Trade	314.60	436.40
Work-in-Process	1,423.84	1,359.10
<b>(a)</b>	<b>1,738.44</b>	<b>1,795.50</b>

**Opening Inventories**

Finished Goods and Stock-in-Trade	436.40	287.01
Work-in-Process	1,359.10	1,373.52
<b>(b)</b>	<b>1,795.50</b>	<b>1,660.53</b>
<b>(b-a)</b>	<b>57.06</b>	<b>(134.97)</b>

**26. EMPLOYEE BENEFITS EXPENSE**

Salary, Wages and Other Benefits	436.66	371.05
Contribution to Provident Fund and Other Funds	35.40	28.85
Staff Welfare Expenses	19.07	18.38
	<b>491.13</b>	<b>418.28</b>

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

			(₹ in Million)	
			15 Months ended on 31st Mar., 2016	Year ended on 31st Dec., 2014
<b>27. FINANCE COSTS</b>				
Interest Expenses			1,177.82	946.14
Other Borrowing Costs			21.24	11.23
<b>Total</b>			<b>1,199.06</b>	<b>957.37</b>
<b>28. OTHER EXPENSES</b>				
Power, Fuel and Water			93.80	70.58
Rent			18.69	71.63
Repairs to Building			1.34	2.03
Repairs to Plant and Machinery			11.37	10.84
Other Repairs and Maintenance			3.42	2.95
Insurance			6.31	4.59
Rates and Taxes			15.24	9.79
Carriage and Cartage			243.70	186.12
Advertisement, Publicity and Sales Promotion			6.24	17.67
Discount and Incentive Schemes			264.33	186.88
Bank Charges			33.93	25.92
Payment to Auditors (Refer Note No. 30.3)			3.38	2.58
Directors' Sitting Fees			0.13	0.08
Loss on Sale of Fixed Assets			-	0.38
Legal and Professional Charges			40.38	17.74
Loss from Investments and Securities Division (Refer Note No. 30.1)			32.28	-
Royalty			0.62	38.15
Warranty and Maintenance			151.77	143.31
Exchange Rate Fluctuation			-	5.06
Office and General Expenses			103.55	103.66
<b>Total</b>			<b>1,030.48</b>	<b>899.96</b>
			<b>15 Months ended on 31st Mar., 2016</b>	<b>Year ended on 31st Dec., 2014</b>
<b>29. EARNINGS PER SHARE</b>				
i) Net Profit/(Loss) attributable to Equity Shareholders (₹ in Million)			(333.86)	(437.88)
ii) Weighted Average Number of Equity Shares			39,185,675	39,185,675
iii) Basic and Diluted Earnings per Share of ₹ 10/- each (₹)			(8.52)	(11.17)

**30. ADDITIONAL NOTES TO FINANCIAL STATEMENTS**

**30.1** 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 from Investments and Securities Division". The Income from Investments and Securities Division include dividend on long term investments of ₹ Nil (Previous year ₹ 0.01 Million).

			(₹ in Million)	
			15 Months ended on 31st Mar., 2016	Year ended on 31st Dec., 2014
<b>30.2 C.I.F. Value of Imports, Expenditure and Earnings in Foreign Currency</b>				
a) C.I.F. Value of Imports:				
Raw Materials and Stock in Trade			2,164.60	840.93
Capital Goods			0.72	14.45
b) Expenditure incurred in Foreign Currency:				
Interest			3.32	8.74
Bank Charges			0.01	-
Travelling			0.29	1.38
Others			-	0.30
c) Other Earnings/Receipts in Foreign Currency:				
F.O.B. Value of Exports			103.75	-

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

(₹ in Million)

	15 Months ended on 31st Mar., 2016	Year ended on 31st Dec., 2014
<b>30.3 Payment to Auditors</b>		
a) Statutory Audit Fees	2.60	1.80
b) Tax Audit Fees	0.15	0.15
c) Other Services	0.60	0.60
d) Reimbursement of Expenses	0.03	0.03
<b>Total</b>	<b>3.38</b>	<b>2.58</b>

31. 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)

	15 Months ended on 31st Mar., 2016	Year ended on 31st Dec., 2014
a) Amount at the beginning of the period/year	57.17	60.97
b) Additional provision made during the period/year	58.71	57.17
c) Amount used	57.17	59.43
d) Unused amount reversed during the period/year	-	1.54
e) Amount at the end of the period/year	58.71	57.17

## 32. EMPLOYEE BENEFITS:

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

## A) Defined Contribution Plans:

Contribution to Provident and Other Funds of ₹ 35.40 Million (Previous year ₹ 28.85 Million) is recognised as an expense and shown under the head "Employee Benefits Expense" (Note No. 26) in the Statement of Profit and Loss.

## B) Defined Benefit Plans:

(₹ in Million)

	Gratuity		Leave Encashment	
	31st Mar., 2016	31st Dec., 2014	31st Mar., 2016	31st Dec., 2014
I) The amounts recognised in the Balance Sheet as at the end of the period/year:				
a) Present value of Defined Benefit Obligation	43.94	35.31	5.53	6.55
b) Fair value of Plan Assets	32.07	22.82	-	-
c) Funded Status - Surplus/(Deficit)	(11.87)	(12.49)	(5.53)	(6.55)
d) Net Assets/(Liability)				
i) Non Current	(8.08)	(9.28)	(5.13)	(6.11)
ii) Current	(3.79)	(3.21)	(0.40)	(0.44)
II) The amounts recognised in the Statement of Profit and Loss for the period/year:				
a) Current Service Cost	3.29	2.87	1.47	2.03
b) Interest Cost	3.66	2.69	0.47	0.36
c) Actuarial (Gains)/Losses	8.42	0.38	3.30	1.48
d) Actual return on Plan Assets	2.82	1.42	-	-
e) Past Service Liability	-	2.23	-	1.03
f) Total Expenses	12.55	6.75	5.24	4.90
III) The changes in Obligations during the period/ year:				
a) Present value of Defined Benefit Obligation at the beginning of the period/year	35.31	29.58	6.55	5.88
b) Current Service Cost	3.29	2.87	1.47	2.03
c) Interest Cost	3.66	2.69	0.47	0.36
d) Actuarial (Gains)/Losses	8.42	0.38	3.30	1.48
e) Past Service Liability	-	2.23	-	1.03
f) Transfer in/(out) obligation	(2.91)	-	(1.67)	-
g) Benefit Payments	3.83	2.44	4.59	4.23
h) Present value of Defined Benefit Obligation at the end of the period/year	43.94	35.31	5.53	6.55
IV) The changes in Plan Assets during the period/year:				
a) Plan Assets at the beginning of the period/year	22.82	15.96	-	-
b) Contribution by Employer	9.48	6.61	-	-
c) Actual Benefits paid	3.05	1.17	-	-
d) Plan Assets at the end of the period/year	32.07	22.82	-	-
e) Actual return on Plan Assets	2.82	1.42	-	-
V) Actuarial Assumptions				
a) Discount Rate	-	7.80% 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)

### 33. 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. K. K. Sukumaran - Assistant General Manager (upto 13th August, 2015)

Mr. Yogesh Deshmukh- Manager (w.e.f. 14th August, 2015)

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

Remuneration to Key Management Personnel - ₹ 1.39 Million (Previous year ₹ 2.57 Million)

(₹ in Million)

### 34. CONTINGENT LIABILITIES AND COMMITMENTS

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

	As at 31st Mar., 2016	As at 31st Dec., 2014
i) Letters of Credit opened	270.42	244.60
ii) Letters of Guarantees	4,010.02	2,485.12
iii) Claims against the Company not acknowledged as debts		
a) Custom Duty demands and penalties under dispute [Amount paid under protest ₹ 2.59 Million (Previous year ₹ 2.59 Million)]	14.96	15.68
b) Excise Duty and Service Tax demands and penalties under dispute [Amount paid under protest ₹ Nil (Previous year ₹ 1.00 Million)]	71.37	62.62
c) Sales Tax demands and penalties under dispute [Amount paid under protest ₹ 29.04 Million (Previous year ₹ 28.82 Million)]	84.91	115.65
iv) Income Tax matters in respect of which appeals are pending [Amount paid under protest/adjusted by Department ₹ 30.15 Million (Previous year ₹ 18.15 Million)]	96.97	57.85

#### B) Commitments

Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances)	3.84	1.30
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35. 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 Videocon International Electronics Limited. 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, 2016 of ₹ 192,780.96 Million (As on 31st December, 2014 of ₹ 195,181.84 Million).

36. 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.

The Company has denied the allegation made by DRI for alleged evasion of duty. The Company has been advised by its counsels that as the goods in question are not domestically produced or manufactured in India, the question of levy of anti-dumping duty is untenable and, accordingly, there is no question of duty evasion or penalty thereon and no provision has been considered in the financial statements.

37. 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".

38. 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.

39. 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.

40. There are no amounts due and outstanding, to be credited to the Investor Education and Protection Fund.

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

As per our report of even date

For and on behalf of the Board

For **KHANDELWAL JAIN & CO.**  
Chartered Accountants

For **KADAM & CO.**  
Chartered Accountants

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

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

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

**ANAGHA JOSHI**  
Company Secretary  
Membership No. : A30976

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

Place: Mumbai  
Date : 30th May, 2016

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**VALUE INDUSTRIES LIMITED**

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

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

**28th Annual General Meeting- Monday, 26th September, 2016**

[illegible][illegible][illegible]

I hereby record my presence at the 28th ANNUAL GENERAL MEETING of the Company held on Monday, 26th September, 2016 at 10.30 a.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 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.: +91-2431-251552/5 Fax. No.: +91-2431-251571

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

28th Annual General Meeting- Monday, 26th September, 2016

Name of the member(s)

Registered address

Email ID

Folio No. / Client ID No.

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DP ID No.

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I/we, being the member (s) of ..... shares of the above named Company, hereby appoint

Name : ..... Email : .....

Address : .....

..... Signature: .....

*or failing him/her*

Name : ..... Email : .....

Address : .....

..... Signature: .....

*or failing him/her*

Name : ..... Email : .....

Address : .....

..... Signature: .....

*or failing him/her*

(contd.....)

as my/ our proxy to attend and vote (on a poll) for me /us and on my/our behalf at the 28th Annual General Meeting of the Company, to be held on Monday, 26th September, 2016 at 10.30 a.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
Ordinary Business:	
1.	To adopt the Audited Statement of Profit and Loss for the financial year period 31st March, 2016 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.	To ratify of the Appointment of Auditors and fixation of their remuneration.
Special Business:	
4.	To appoint of Mr. Bhujang Kakade (DIN - 06383819), as an Independent Director.
5.	To ratify and confirm the payment of remuneration to the Cost Auditor of the Company.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

Affix  
Revenue  
Stamp  
₹ 1

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

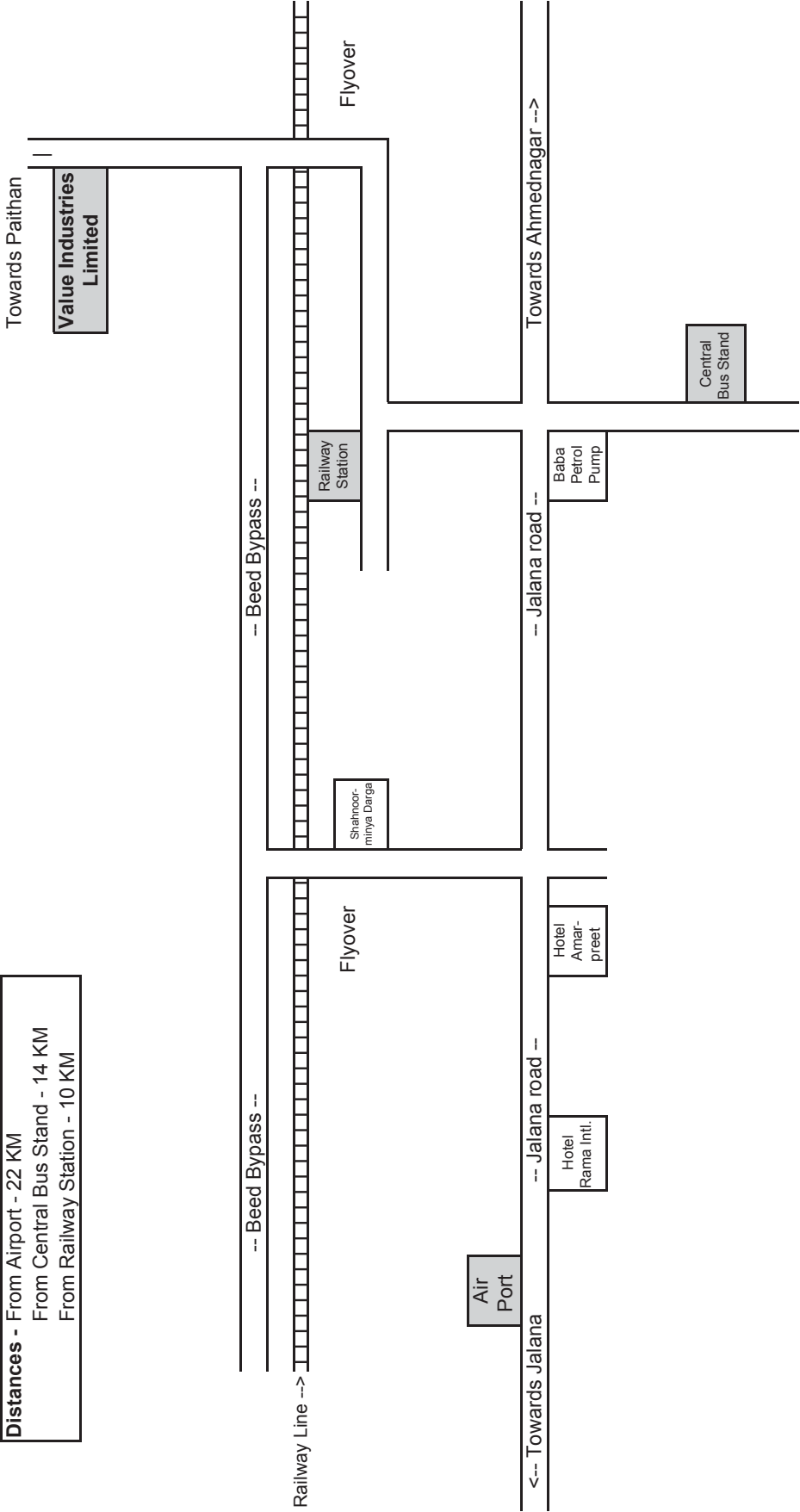
\_\_\_\_\_  
Signature of the Proxy holder(s)

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 the person if he 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**

Kashiram Jamnadas Building, 002, Ground Floor,  
5, P.D'mello Road, Masjid (East), Mumbai 400 009.