

**2014**

**ANNUAL REPORT**



**VALUE INDUSTRIES LIMITED**

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Subhash S. Dayama  
Mr. Avinash H. Malpani  
Mr. Naveen B. Mandhana  
Mrs. Gayathri R. Girish

### AUDITORS

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

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

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

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

### COMPANY SECRETARY

Ms. Anagha Joshi

### REGISTERED OFFICE:

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

### 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

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## NOTICE

**NOTICE** is hereby given that the Twenty-Seventh Annual General Meeting of the Members of **VALUE INDUSTRIES LIMITED** (the "Company") will be held on **Tuesday, 30th June, 2015**, at the Registered Office of the Company at 14 K. M. Stone, Aurangabad - Paithan Road, Village: Chittegaon, Taluka : Paithan, District: Aurangabad – 431 105 (Maharashtra) at **2.00 p.m.** to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the financial year ended on 31st December, 2014 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 ratify the appointment of Auditors, to fix their remuneration and in this regard to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 139 and all other applicable provisions 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 Statutory Auditors of the Company to hold office from the conclusion of this Meeting i.e. the 27th Annual General Meeting until the conclusion of the 29th Annual General Meeting (subject to ratification by the Members at every subsequent Annual General Meeting) on such remuneration as shall be fixed by the Board of Directors of the Company."

**SPECIAL BUSINESS:**

3. To confirm/appoint Mr. Avinash H. Malpani (DIN: 00279976), as an Independent Director 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 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, Mr. Avinash H. Malpani (DIN: 00279976), Director of the Company, who was originally appointed by the shareholders as an Independent Director within the meaning of Clause 49 of the Listing Agreement entered with the Stock Exchanges, liable to retire by rotation, and subsequently classified/appointed as an Independent Director within the meaning of the provisions of Section 149 of the Companies Act, 2013, by the Board of Directors of the Company at their meeting held on 14th August, 2014 to comply with the requirements of Companies Act, 2013 and Rules made thereunder, to hold office upto a term of five consecutive years from 14th August, 2014, and in respect of whom the Company has also received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying its intention to propose candidature of Mr. Avinash H. Malpani for the office of Director of the Company, be and is hereby confirmed/appointed as an Independent Director to hold office upto a term of five consecutive years from 14th August, 2014, not liable to retire by rotation."

4. To confirm/appoint Mr. Naveen B. Mandhana (DIN: 01222013), as an Independent Director 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 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, Mr. Naveen B. Mandhana (DIN: 01222013), Director of the Company, who was originally appointed by the shareholders as an Independent Director within the meaning of Clause 49 of the Listing Agreement entered with the Stock Exchanges, liable to retire by rotation, and subsequently classified/appointed as an Independent Director within the meaning of the provisions of Section 149 of the Companies Act, 2013, by the Board of Directors of the Company at their meeting held on 14th August, 2014 to comply with the requirements of Companies Act, 2013 and Rules made thereunder, to hold office upto a term of five consecutive years from 14th August, 2014, and in respect of whom the Company has also received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying its intention to propose candidature of Mr. Naveen B. Mandhana for the office of Director of the Company, be and is hereby confirmed/appointed as an Independent Director to hold office upto a term of five consecutive years from 14th August, 2014, not liable to retire by rotation.

5. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152, 160 of the Companies Act, 2013 and the Rules made thereunder, as amended, including any statutory modification(s) or any substitution or any re-enactment thereof for the time being in force and Clause 49 of the Listing Agreement, Mrs. Gayathri R. Girish (DIN: 07145426), who was appointed as an Additional Director on the Board on 31st March, 2015, and who holds office upto the date of this Annual General Meeting and being eligible for appointment as a Director and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a member signifying its intention to propose her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company hereby ratifies payment of remuneration of ₹ 75,000/- (Rupees Seventy Five Thousand Only) to Mr. Jayant B. Galande, Cost Accountant in Whole-Time Practice, Aurangabad, (Membership No. 5255), for conducting Audit of Cost Accounting Records maintained by the Company in respect of Machinery and Mechanical Appliances for the financial year ending on 31st December, 2015.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be required to give effect to this resolution."

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

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

Place : Mumbai  
Date : 14th May, 2015

**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@videconmail.com  
**Website:** www.valueind.in  
**Tel.No.:** +91-2431-251552/5  
**Fax. No.:** +91-2431-251571

**NOTES :**

- 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.**
- In terms of the provisions of Section 102 of the Companies Act, 2013, a statement setting out the material facts concerning special business to be transacted at the Meeting is annexed and forms part of the Notice.
- Copies of the Notice of 27th 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), for communication purposes. Hard copies of Annual Report will be supplied to those Members to whom copies of the Notice together with the Annual Report

- has been sent by electronic mode, upon request. For Members who have not registered their email addresses, physical copies of the Annual Report are being sent by the permitted mode and the Members are requested to kindly bring their copy of the Annual Report with them at the Annual General Meeting. Members/proxies should also bring the attached Attendance Slip duly filled and hand it over at the entrance of the venue.
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 authorising such representative(s) to attend and vote on their behalf at the Meeting.
  5. 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.
  6. Pursuant to Clause 49 of the Listing Agreement entered with the Stock Exchanges, additional information including brief profile of the Directors seeking confirmation/appointment at this Annual General Meeting has been appended to the Notice of Annual General Meeting.
  7. The Register of Members and Share Transfer Books shall remain closed from Friday, 19th June, 2015 to Tuesday, 30th June, 2015 (both days inclusive) for the purpose of the Meeting.
  8. 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.
  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, alongwith their copy of Annual Report to the Meeting.
  10. In terms of and in compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, and revised Clause 35B of the Listing Agreement, the Company is pleased to offer remote e-voting facility as an alternate to all its Members to enable them to cast their vote electronically instead of casting the vote at the Meeting. The Members who have casted their votes by remote e-voting may participate in the Meeting even after exercising their right to vote through remote e-voting but they shall not be allowed to cast vote again at the Meeting. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (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 Annual General Meeting apart from providing remote e-voting facility for all those members who are present at the Annual General Meeting but have not casted their votes by availing the remote e-voting facility.
  11. The remote e-voting facility shall be opened from Saturday, 27th June, 2015 at 9.00 a.m. to Monday, 29th June, 2015 till 5.00 p.m. both days inclusive. Detailed instructions for Voting through Electronic Mode are given as a part of this Notice. The remote e-voting facility shall not be allowed beyond 5.00 p.m. on Monday, 29th June, 2015. 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 resolution is casted by the member, he/she 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 A. Kakade, Company Secretary in Whole-Time Practice, (CP No. 11999) 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 results 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 alongwith 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 Company has fixed Tuesday, 23rd June, 2015 as the cut-off date/entitlement date for identifying the Shareholders entitled to participate in the remote e-voting through Electronic Mode or in the Meeting by Ballot. 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 date/entitlement date only shall be entitled to avail the said facility of remote e-voting as well as voting at the Meeting.
  16. 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. Tuesday, 23rd June 2015, may obtain the User ID and Password by sending an email request to [secretarial\\_value@videconmail.com](mailto:secretarial_value@videconmail.com). Members may also call on +91 - 22 - 66113660 or send a request to Ms. Anagha Joshi, Company Secretary, by writing to her at Value Industries Limited at 2nd Floor, Fort House, Dr. D N Road, Fort, Mumbai - 400 001.
  17. The Voting Rights will be reckoned on the paid-up value of shares registered in the name of Shareholders as on the cut-off date/entitlement date.
  18. Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, the Company has transferred the unclaimed/unpaid dividend for the financial year 2006-07 to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Dividend for the financial year ended 2007-08 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 obtain duplicate warrant(s)/demand drafts by writing to the Company's Registrar and Transfer Agent, M/s. MCS Limited. 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 as at the last Annual General Meeting held on 30th June, 2014 are available on the Company's website at [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).
  19. 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 Limited, Registrar and Transfer Agent of the Company, for consolidation into a single folio.
  20. 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.
  21. Non-Resident Indian Members are requested to inform M/s. MCS Limited, the Registrar and 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.
  22. The equity shares of the Company are compulsorily tradable in electronic form and your Company has established connectivity with both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Taking into consideration the enormous advantages offered by the Depository Systems, members are requested to avail the facility of dematerialization of the Company's shares on either of the Depositories, as aforesaid.
  23. The Annual Report of the Company, circulated to the members of the Company, will be made available on the Company's website at [www.valueind.in](http://www.valueind.in) and also on the website of the respective Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).
  24. Relevant documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days between 10.00 a.m. to 3.00 p.m. upto the date of the Meeting.
  25. Members desiring any information as regards to the Accounts are requested to write to the Company at an early date so as to enable the Chairman of the Meeting to reply at the Meeting.
  26. Members may address their queries/ communications at [secretarial\\_value@videconmail.com](mailto:secretarial_value@videconmail.com).
  27. Members are requested to kindly bring their copy of the Annual Report to the Meeting.

**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 is as under:

- (i) The voting period shall begin on Saturday, 27th June, 2015 at 9.00 a.m. and will end on Monday, 29th June, 2015 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. Tuesday, 23rd June, 2015, 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.  
 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.
- (vi) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
<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 below the Notice/on the Attendance Slip, in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
<b>DOB</b>	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
<b>Dividend Bank Details</b>	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If 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>

- (vii) 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.

- (viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant **VALUE INDUSTRIES LIMITED** on which you choose to vote.
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take out print of the voting done by you by clicking on "click here to print" option on the Voting page.
- (xv) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) **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 should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the account 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.
- (xvii) 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).
- (xviii) 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. Tuesday, 23rd June 2015, may obtain the User ID and password by sending an email request to [secretarial\\_value@videconmail.com](mailto:secretarial_value@videconmail.com). Members may also call on +91 - 22 - 66113660 or send a request to Ms. Anagha Joshi, Company Secretary, by writing to her at Value Industries Limited at 2nd Floor, Fort House, Dr. D N Road, Fort, Mumbai - 400 001.

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

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

Place : Mumbai  
Date : 14th May, 2015



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

**Item No. 3**

Mr. Avinash H. Malpani was appointed as Non-Executive Independent Director, pursuant to Clause 49 of the Listing Agreement entered with the Stock Exchanges.

In terms of the provisions of Section 149 and other applicable provisions of the Companies Act, 2013, read with the Rules made thereunder, every listed company shall have at least one-third of the total number of directors as independent directors. Further, in terms of the provisions of Clause 49 (II) (A) (2) of the Listing Agreement where the Chairman of the Board is a non-executive director, at least one-third of the Board should comprise of independent directors and in case the company does not have a regular non-executive Chairman, at least half of the Board should comprise of independent directors.

Therefore, with a view to comply with the requirements of the provisions of Section 149 of the Companies Act, 2013 and the provisions of Clause 49 of the Listing Agreement the Board of Directors thought it fit to appoint Mr. Avinash H. Malpani, Independent Director for a period of five consecutive years. Accordingly, the Board of Directors of the Company at its meeting held on 14th August, 2014, have made to continue appointment of Mr. Avinash H. Malpani as an Independent Director to hold office upto a term of five consecutive years from 14th August, 2014, not liable to retire by rotation.

The Company has received from Mr. Avinash H. Malpani (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 and (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.

The Company has also received a notice in writing along with requisite deposit, from a member under Section 160 of the Companies Act, 2013, signifying its intention to propose candidature of Mr. Avinash H. Malpani for the office of Directors of the Company.

The Board seeks the approval of the Members of the Company to confirm/appoint Mr. Avinash H. Malpani as an Independent Director of the Company for five consecutive years from 14th August, 2014, pursuant to the provisions of Section 149 and such other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

A brief profile of Mr. Avinash H. Malpani, 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 and the particulars of the shareholding as stipulated under Clause 49 of the Listing Agreement entered with the Stock Exchanges is appended to the Notice.

In the opinion of the Board of Directors, Mr. Avinash H. Malpani, the Independent Director, fulfills 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. Avinash H. Malpani, are available for inspection without any fee by the Members at the Company's Registered Office during 10.00 a.m. to 3.00 p.m. on working days upto the date of the Annual General Meeting.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Avinash H. Malpani as an Independent Director.

No Director, Key Managerial Personnel or their relatives, except Mr. Avinash H. Malpani, to whom the resolution relates, is interested or concerned in this Resolution.

**Item No. 4**

Mr. Naveen B. Mandhana was appointed as Non-Executive Independent Director, pursuant to Clause 49 of the Listing Agreement entered with the Stock Exchanges.

In terms of the provisions of Section 149 and other applicable provisions of the Companies Act, 2013, read with the Rules made thereunder, every listed company shall have at least one-third of the total number of directors as independent directors. Further, in terms of the provisions of Clause 49 (II) (A) (2) of the Listing Agreement where the Chairman of the Board is a non-executive director, at least one-third of the Board should comprise of independent directors and in case the company does not have a regular non-executive Chairman, at least half of the Board should comprise of independent directors.

Therefore, with a view to comply with the requirements of the provisions of Section 149 of the Companies Act, 2013 and the provisions of Clause 49 of the Listing Agreement, the Board of Directors thought it fit to appoint Mr. Naveen B. Mandhana, Independent Director for a period of five consecutive years. Accordingly, the Board of Directors of the Company at its meeting held on 14th August, 2014, have made to continue appointment of Mr. Naveen B. Mandhana as an Independent Director to hold office upto a term of five consecutive years from 14th August, 2014, not liable to retire by rotation.

The Company has received from Mr. Naveen B. Mandhana (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 and (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.

The Company has also received a notice in writing along with requisite deposit, from a member under Section 160 of the Companies Act, 2013, signifying its intention to propose candidature of Mr. Naveen B. Mandhana for the office of Directors of the Company.

The Board seeks the approval of the Members of the Company to confirm/appoint Mr. Naveen B. Mandhana as an Independent Director of the Company for five consecutive years from 14th August, 2014, pursuant to the provisions of Section 149 and such other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

A brief profile of Mr. Naveen B. Mandhana, 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 and the particulars of the shareholding as stipulated under Clause 49 of the Listing Agreement entered with the Stock Exchanges is appended to the Notice.

In the opinion of the Board of Directors, Mr. Naveen B. Mandhana, the Independent Director, fulfills 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. Naveen B. Mandhana, are available for inspection without any fee by the Members at the Company's Registered Office during 10.00 a.m. to 3.00 p.m. on working days upto the date of the Annual General Meeting.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Naveen B. Mandhana as an Independent Director.

No Director, Key Managerial Personnel or their relatives, except Mr. Naveen B. Mandhana, to whom the resolution relates, is interested or concerned in this Resolution.

**Item No. 5**

As per the provisions of Section 149 of the Companies Act, 2013, and Rules made there under, every listed company shall have atleast one woman director on the board of the company. In order to comply with the requirements of the said provision, the Board of Directors appointed Mrs. Gayathri R. Girish as an Additional Director on 31st March, 2015.

In terms of the provisions of Section 161 of the Companies Act, 2013, Mrs. Gayathri R. Girish holds office upto the date of ensuing Annual General Meeting. Notice under Section 160 of the Companies Act, 2014, has been received in writing from a member together with requisite deposit signifying its intention to propose her candidature for the office of the Director of the Company.

Keeping in view her vast experience, the Board considers that the appointment of Mrs. Gayathri R. Girish on the Board of the Company would be beneficial for the Company. Hence, it is proposed to appoint her as a Director, liable to retire by rotation.

The Company has received from Mrs. Gayathri R. Girish (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 she is not disqualified under Sub-Section (2) of Section 164 of the Companies Act, 2013.

Brief profile of Mrs. Gayathri R. Girish in terms of Clause 49 of the Listing Agreement is provided at the end of this Notice.

The Board recommends the passing of the Ordinary Resolution at Item No. 5 of the accompanying Notice for approval of the members of the Company.

Save and except, Mrs. Gayathri R. Girish, 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. 6**

The Board of Directors of the Company on the recommendation of the Audit Committee, has approved the 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 the Audit of the Cost Accounting Records, maintained by the Company for the financial year commencing on 1st January, 2015 and ending on 31st December, 2015.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the Members of the Company. Accordingly, consent of the Members is sought by way of an Ordinary Resolution for ratification of the remuneration amounting to ₹ 75,000/- (Rupees Seventy Five Thousand Only) plus applicable service tax and out of pocket expenses payable to Mr. Jayant B. Galande for financial year ending on 31st December, 2015.

The Board, accordingly, recommends the passing of the Ordinary Resolution at Item No. 6 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.

Brief profile of the Directors proposed to be appointed, as required in terms of the provisions of the Clause 49 of the Listing Agreement:

Sr. No.	Particulars	Profile of the Director		
		Avinash H. Malpani	Naveen B. Mandhana	Gayathri R. Girish
1.	Name of the Director	Avinash H. Malpani	Naveen B. Mandhana	Gayathri R. Girish
2.	Date of Birth	22nd March, 1972	18th September, 1956	1st December, 1978
3.	Educational Qualification	Commerce Graduate	Engineering Graduate	Commerce Graduate, Associate Member of Institute of Company Secretaries of India
4.	Date of appointment on the Board	30th September, 1996	8th March, 1988	31st March, 2015
5.	Category of the Director	Independent	Independent	Professional
6.	Area of Expertise / Senior Position Held / Work Experience	He carries with him vast experience in diversified fields.	He carries with him more than 3 decades of experience in the field of Manufacturing, Technical, Finance and Marketing.	She carries with her rich experience in the field of company law and secretarial practice.
7.	Details of Directorships in other Public Limited Companies (including subsidiaries of Public Company)	Nil	1. Sirius Semiconductor Limited 2. Virtual Electronics Limited 3. Ram Ratna Wires Limited	Nil
8.	Names of the other Committees in which Chairman	Nil	Virtual Electronics Limited (Audit)	Nil
9.	Names of the other Committees in which Member	Nil	Nil	Nil
10.	No. of shares held	Nil	Nil	Nil

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

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

Place : Mumbai  
Date : 14th May, 2015

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the Twenty-Seventh Annual Report of the Company together with the Audited Accounts and Auditors' Report for the financial year ended 31st December, 2014.

### FINANCIAL RESULTS AND OPERATIONS

The performance of the Company for the financial year ended 31st December, 2014, is summarized hereunder:

(₹ in Million)

Particulars	Year ended 31st December, 2014	Year ended 31st December, 2013
Net Sales	15,132.11	14,261.88
Other Income	5.28	29.60
Total Income	15,137.39	14,291.48
Profit before Finance Costs, Tax and Depreciation	1,180.93	1,012.50
Finance Costs	944.61	1,017.22
Depreciation and Amortisation	779.64	847.08
Profit/(Loss) before Tax	(543.32)	(851.80)
Profit/(Loss) for the year	(437.88)	(727.77)

During the year under review, the turmoil on the weather and political front coupled with negative consumer sentiments had resulted in the decline in the demand and prices for consumer durable goods. The consumer remained cautious and was inclined towards essential commodities only while keeping the high-end appliances/electronics shopping on hold. Further, the new norms of Bureau of Energy Efficiency have led to the increase in cost of air conditioners and refrigerators. However, with the new government coming in, the consumer sentiments are expected to turn positive resulting in better growth in the Consumer Electronics & Home Appliances Industry.

The net sales of the Company have increased to ₹ 15,132.11 Million for the financial year ended 31st December, 2014 from ₹ 14,261.88 Million for the financial year ended 31st December, 2013. The finance costs of the Company has reduced to ₹ 944.61 Million for the financial year ended 31st December, 2014 from ₹ 1,017.22 Million for the financial year ended 31st December, 2013. The Company has incurred a net loss of ₹ 437.88 Million for the financial year ended 31st December, 2014 as compared to the net loss of ₹ 727.77 Million for the financial year ended 31st December, 2013.

### DIVIDEND

In view of the loss incurred during the year under review, the Board of Directors do not recommend any dividend for the financial year ended 31st December, 2014.

### TRANSFER TO RESERVES

In view of the loss incurred during the year under review, your Directors propose not to transfer any amount to the General Reserve.

### TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

The Company has transferred a sum of ₹ 0.98 Million in respect of unclaimed/unpaid dividend for the financial year 2006-07 to the Investor Education and Protection Fund (IEPF). Dividend for the financial year ended 2007-08 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 obtain duplicate warrant(s)/demand drafts by writing to the Company's Registrar and Transfer Agent.

### FIXED DEPOSITS

The Company has not accepted/renewed any deposit within the meaning of Section 58A of the Companies Act, 1956 and as such, no amount of principal/interest was outstanding as on the Balance Sheet date.

### PARTICULARS OF EMPLOYEES

The Company does not have any employee whose particulars are required to be furnished under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

### FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, the foreign exchange outgo amounted to ₹ 865.80 Million as against ₹ 928.20 Million during the year ended 31st December, 2013. There were no foreign exchange earnings during the year under review and previous year ended on 31st December, 2013.

### CONSERVATION OF ENERGY

The Company has shifted its parameters from the 'can do' alternative to the 'must do'. Conservation of energy has been an area of focus of your Company with emphasis has always been on reduction in power consumption in products, manufacturing process and operations.

Your Company is focused on developing green technology and products based on the main principles of minimizing environmental impact across the entire product life cycle, from procurement, manufacturing, distribution, usage to disposal. Your Company is launching products that embody the environmental values of reducing energy consumption, resources and hazardous substances, protecting water resources and leveraging green wherever possible. The Company has always been conscious of the need for sustainable development and conservation of energy and has been sensitive in making progress towards this initiative.

The Company has formed 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 all high consumption luminaries to LEDs and CFLs lights.
- Daily monitoring of energy consumption of production line as per Kwh/Product Target and analysis of the same on weekly basis .
- Improved capacity of equipments by reducing tact time.
- All major equipments and Air conditioners are under auto shut off mode during break and specified intervals.
- Monitoring and maintaining power in distribution network to minimize the losses.
- Created awareness in the employees by giving scheduled training about importance of the energy conservation and basic technique of conservations.
- Displayed visual information in entire work places to encourage employees to think about energy conservation.
- Adherence to preventive maintenance schedule to ensure all machineries run at rated efficiency.
- Optimized rating of pumps in pump house.
- Introduced natural sources of light by providing transparent sheets and ventilators on roofs for good circulation of air.
- Replaced old energy inefficient AC's with 5 star energy efficient AC's.
- Installed motion sensor switches for auto switch ON/OFF of toilet lights and exhaust fan.
- Replaced DA (Acetylene Gas) by LPG manifold system at brazing station at production shop floor resulting in cost saving.



**RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION**

The Consumer and Electronics Industry is a key player in the economy and is one of the most globalised industries in the world. It is a strategic enabler and a driving force for all the services. Research & Development (R&D) is an integral part of any industry and is supporting the entire value chain of R&D activities in the country ranging from the basic components to sophisticated product development.

The Company firmly believes that a well planned R&D acts as a catalyst to foster innovation and enhance the interface in both, conventional and emerging technological arenas. Accordingly, the Company has formed an in-house R&D team comprising of skilled experts in varied fields to keep pace with the rapid technological changes in the industry.

The process captures customers need, the business potential and integrates it with the product development programme. Your Company focuses on creating new exponential value, with the ultimate aim of reinventing the way people live their lives.

The manufacturing facilities are continuously modernized to convert the ideas envisaged by the R&D into most efficient, environment friendly and state-of-the art processes to deliver the best products which stand to the test of time. The quality assurance ensures that manufacturing processes doesn't deviate from the specified path, adhere and confirm to the stringent national and international standards for safety and at the same time products which are eco-friendly and have delightful aesthetic feel.

**The R&D activities involve:**

- Development of high end products to be offered in Indian Market.
- Development of new design in products.
- Development of new range of products.
- Meeting the changing needs of the consumers.
- Improvement in operational process.

**Benefits derived from R&D activities:**

- Introduction of refrigerators with smart features such as Cool Booster, Ice Zone, Steel Bottle Rack, Twin Drawer Base etc.
- Introduction of Powertrain Control Module (PCM) and Vehicle Control Module (VCM) door finish with stylish look.
- Developed washing machines with vibrant colours and aesthetically superior looks.
- Introduced washing machines with multiple wash selection options as well as less water consumption.
- Introduction of air conditioners with powerful cooling even at high temperatures.

During the year under review, the recurring expenses on R&D amounted to ₹ 10.14 Million representing 0.07% of the turnover.

**Future plan of action in R&D and Technology Absorption :**

As the management continues to expand its investment in core technologies and cutting edge growth businesses, your Company ensures that its technology continues to grow stronger with every passing year. The Company plans to design and develop technologies that give higher degree of reliability and wishes to extend the technology in other related areas. The Company shall focus on environment friendly products and shall also focus on innovation and modernization with optimum utilization of capital and maintain the position in the market.

**HEALTH, SAFETY AND ENVIRONMENT MEASURES**

*Health and well being is a state of complete physical, mental and social well being – and not merely the absence of disease or infirmity.* Ensuring safe and health-oriented working conditions is integrated into the organization. The

Company is committed to complying with all statutory and regulatory requirements related to health and safety of the workers/employees. The Company has been taking efforts in building health awareness among employees.

The Company has been giving a lot of attention to improving greenery all around its manufacturing plant. Energy conservation initiatives, safety initiatives and quality initiatives are being taken on a regular basis to ensure sustainability. The Company has a well equipped health centre that delivers qualitative preventive health services not only to its employees but also to their families and to the society at large. First-Aid preparedness in the factory is ensured at all times. Medical surveillance that includes pre-employment, periodic medical examinations and occupational rehabilitation is ensured so that employee health and well being is maintained.

The Company ensures that all employees are covered under preventive health checks and health promotion programs. Technical equipments and various installations in buildings and at work stations are kept up-to-date. The Company is taking all reasonable steps to eliminate or reduce the exposure of employees to conditions adversely affecting their safety or health while on the job. The Company encourages off the job and on the job employee safety and health awareness as well. Some of the health and safety initiatives taken by the Company include:

- Basic first aid course and demonstration of fire extinguishers courses conducted for the employees and security guards during the year.
- Conducting health checkup session periodically.
- Periodic Training conducted for security guard regarding fire prevention & control.
- Regular training programs for the workers, on the job & off the job.
- Installation of new machineries to mitigate the risk of injury to humans.
- Display of cautionary signs at high hazardous area to warn workers about imminent hazard dealt at site.
- Procurement of safety equipments in campus such as LPG gas detector, Road Convex mirror, Fire blanket, Fire Bucket, First aid box & B.A. (Breathing Apparatus) set.
- Implementations of work permit system with availability of security guard for close monitoring.
- Conducting regular safety audit & mock drill as per calendar in the campus.
- Incident/Accidents investigation, reporting with root cause, corrective and preventive actions, in case of any incident/accident.
- Provision of fire extinguisher point at high hazardous area.
- Carry out HPT (Hydraulic Pressure Testing) of pressurized extinguisher as per Maharashtra fire prevention & life safety measures act.
- Display of MSDS (Material Safety Data Sheet) at chemical storage area.
- Display of UN classification boards at Zone - 0 area (Highly flammable area).
- Celebration of Safety promotional activities like – National safety week & fire service week.
- Replacement of old furnace oil and installed LPG manifold system to avoid air pollution.

**Environmental Initiatives:**

The Company is committed to comply with all applicable environmental laws, rules and regulations. The Company is promoting environmental concern and education among its employees and within the communities in which it operates. The Company has developed an environmental, health and safety program, which includes the following elements:

- Installation of Sewage Treatment Plant and utilization of treated water for gardening.
- Accumulation of roof rain water for water harvesting purpose to avoid the scarcity in summer season.

- Plantation of trees on different events.
- Maintenance of Effluent Treatment Plant and Sewage Treatment Plant outlet water parameter within limit as per CPCB (Central Pollution Control Board).

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### INFORMATION TECHNOLOGY

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Information Technology (IT) essentially refers to the digital processing, storage and communication of information of all kinds. The Company has been making continuous investments in Business Process Automation and Information Technology over the years. The IT infrastructure and software systems at the Company are at par with the best-in-class industries. The high focus areas include scalability of infrastructure, data security and business process controls.

The Company's IT strategy is focused towards improving efficiency and providing a platform for a decision support system that will provide for a competitive sustainable advantage and at the same time ensure the highest level of data integrity and security.

The usage of innovative and modern IT tools has brought in significant improvement in overall operations and productivity.

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### CORPORATE SOCIAL RESPONSIBILITY

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The Company has formed a Corporate Social Responsibility 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 Corporate Governance Report.

Corporate Social Responsibility (CSR) includes core elements of CSR activities such as ethical functioning, respect for all stakeholders, protection of human rights and care for the environment. Your Company believes 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 fulfill 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.

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### INDUSTRIAL RELATIONS

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Your Company continues to enjoy the support from the workforce. Industrial Relations were cordial during the year under review.

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### BOARD OF DIRECTORS

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During the year under review, Mr. Subhash S. Dayama was appointed as an Independent Director by the shareholders of the Company at the Annual General Meeting held on 30th June, 2014, for a term of 5 years from 30th June, 2014. Subsequently, in order to further comply with the requirements of the provisions of Section 149 of the Companies Act, 2013 and the provisions of Clause 49 of the Listing Agreement and so as to ensure optimum composition of Independent Directors on various Committees, the Board of Directors thought it fit to appoint Mr. Avinash H. Malpani and Mr. Naveen B. Mandhana also as Independent Director(s) for a period of five years. Accordingly, the Board of Directors of the Company at their meeting held on 14th August, 2014 have made to continue appointment of Mr. Avinash H. Malpani and Mr. Naveen B. Mandhana as Independent Director(s) to hold office upto a term of five consecutive years from 14th August, 2014, not liable to retire by rotation. These Directors have confirmed that they meet criteria of independence as provided in Sub-Section (6) of Section 149 of the Companies Act, 2013.

After the Balance Sheet date, pursuant to the provisions of Companies Act, 2013, Mrs. Gayathri R. Girish was appointed as an Additional Director with effect from 31st March, 2015. She holds office upto the date of ensuing Annual General Meeting.

The Company has received a notice in writing along with requisite deposit, from a member under Section 160 of the Companies Act, 2013, signifying its intention to propose candidature of each of Mr. Avinash H. Malpani and Mr. Naveen B. Mandhana for confirmation/appointment to the office of Director of

the Company as Independent Director and also its intention to propose candidature of Mrs. Gayathri R. Girish to the office of Director of the Company.

The Board recommends the confirmation/appointment of Mr. Avinash H. Malpani, Mr. Naveen B. Mandhana and Mrs. Gayathri R. Girish at the ensuing Annual General Meeting.

A brief profile of the Directors seeking confirmation/appointment, nature of expertise in specific functional area, name of other public companies in which he/she holds directorship and membership/chairmanship of the committees of the Board of Directors and the particulars of the shareholding as stipulated under Clause 49 of the Listing Agreement entered with the Stock Exchanges is appended to the Notice.

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### AUDITORS

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The members of the Company at the 26th Annual General Meeting held on 30th June, 2014 had approved the appointment of M/s. Khandelwal Jain & Co., (Firm Regn No 105049W) Chartered Accountants, Mumbai and M/s. Kadam & Co., (Firm Regn No. 104524W) Chartered Accountants, Ahmednagar, for the term of 3 years i.e. from the conclusion of 26th 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 appointment of M/s. Khandelwal Jain & Co., (Firm Regn No 105049W) Chartered Accountants, Mumbai and M/s. Kadam & Co., (Firm Regn No. 104524W) Chartered Accountants, 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 commended for ratification by the members.

A certificate from M/s. Khandelwal Jain & Co., (Firm Regn No 105049W) Chartered Accountants, Mumbai and M/s. Kadam & Co., (Firm Regn No. 104524W) Chartered Accountants, Ahmednagar that their 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 appointment of the said Auditors at the ensuing Annual General Meeting.

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### AUDITORS' REPORT

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The Auditors' Report is unqualified. The notes to the Accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further clarification under Section 217(3) of the Companies Act, 1956.

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### AUDIT COMMITTEE

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Pursuant to the provisions of Section 177 of the Companies Act, 2013 and as per the provisions of the Listing Agreement, the Company has constituted an Audit Committee. The composition, scope and powers of Audit Committee together with details of meetings held during the year under review forms part of Corporate Governance Report.

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### NOMINATION AND REMUNERATION COMMITTEE

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During the year under review, in view of the amended Listing Agreement and provisions of the Companies Act, 2013, the nomenclature of the Committee was changed from "Remuneration Committee" to "Nomination and Remuneration Committee" and the scope of Committee was revised to bring in line with the amended Listing Agreement. The composition, scope and powers of the Committee together with details of meetings held during the year under review forms part of Corporate Governance Report.

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### STAKEHOLDERS' RELATIONSHIP COMMITTEE

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During the year under review, in view of the amended Listing Agreement and provisions of the Companies Act, 2013, the nomenclature of the Committee was changed from "Shareholders'/Investors' Grievance Committee" to "Stakeholders'

Relationship Committee". The composition, scope and powers of the Committee together with details of meetings held during the year under review forms part of Corporate Governance Report.

#### COST AUDIT

The Central Government had directed, vide its Order No. 52/26/CAB-2010 dated 6th November, 2010, to conduct a Cost Audit in respect of the specified products viz., Machinery and Mechanical Appliances.

The Board of Directors of the Company have accorded its approval for appointment of Mr. Jayant B. Galande, Cost Accountant in Whole-Time Practice, Aurangabad, (Membership Number 5255) as the Cost Auditor of the Company, to conduct Audit of the Cost Accounting Records maintained by the Company for the financial year commencing on 1st January, 2015 and ending on 31st December, 2015, subject to the approval of Central Government.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014, 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 as set out in Item No 6 of the Notice for ratification of the remuneration amounting to ₹ 75,000/- (Rupees Seventy Five Thousand Only) plus applicable service tax and out of pocket expenses payable to the Cost Auditors for financial year commencing on 1st January, 2015 and ending on 31st December, 2015.

In compliance with the provisions of The Companies (Cost Audit Report) Rules, 2011 and General Circular No. 15/2011 issued by Government of India Ministry of Corporate Affairs, Cost Audit Branch, we hereby submit that the Company has filed the Cost Audit Report for the financial year ended 31st December, 2013 on 11th February, 2015. The delay was on account of technical difficulties. As regards to the financial year ended on 31st December, 2014, the due date for filing the Cost Audit Report is 29th June, 2015 and the Company shall file the same on or before due date.

#### SUBSIDIARY COMPANIES

The Company does not have any subsidiary.

#### CASH FLOW STATEMENT

The Cash Flow Statement for the financial year ended 31st December, 2014, in conformity with the provisions of Clause 32 of the Listing Agreement with the Stock Exchanges in India and as prepared in accordance with the Accounting Standard on Cash Flow Statement (AS-3) issued by the Institute of Chartered Accountants of India, is annexed hereto.

#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed review of performance and future prospects of the Company is included in the section 'Management Discussion and Analysis Report' of the Annual Report.

#### CORPORATE GOVERNANCE REPORT

As per Clause 49 of the Listing Agreement, a separate section on Corporate Governance together with a Compliance Certificate from the Statutory Auditors of the Company forms part of this Annual Report.

#### DIRECTORS' RESPONSIBILITY STATEMENT

The Audited Accounts for the year under review are in conformity with the requirements of the Companies Act, 1956 and the Accounting Standards. The Financial Statements reflect fairly the form and substances of transactions carried out; and reasonably present the Company's financial condition and results of operations. Your Directors confirm:

- that in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- that the accounting policies selected have been applied consistently; and judgments and estimates are made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st December, 2014 and of the loss of the Company for the year ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; and
- that the Annual Accounts of the Company have been prepared on 'going concern' basis.

#### ACKNOWLEDGEMENT

The Directors wish to convey their appreciation to all the Company's employees for their enormous personal efforts as well as their collective contribution to the Company's performance. The Directors would also like to thank the shareholders, customers, dealers, suppliers, bankers and all the other stakeholders for their continued support and for their confidence in its Management.

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

**S. S. DAYAMA**  
Director  
DIN: 00217692

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

Place : Mumbai  
Date : 14th May, 2015

## CORPORATE GOVERNANCE REPORT

As required under Clause 49 of the Listing Agreement entered with the Stock Exchanges, the Corporate Governance Report forms part of the Annual Report. A certificate from the Statutory Auditors of the Company confirming compliance of the Corporate Governance is appended to the Report on Corporate Governance.

### 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.

The Company is in compliance with the requirements of Clause 49 of the Listing Agreement. The particulars of Compliance(s) are detailed hereunder:

### BOARD OF DIRECTORS

#### Composition of the Board of Directors as on 31st December, 2014:

The Board comprises of 3 (three) Non – Executive Independent Directors namely; Mr. Naveen B. Mandhana, Mr. Subhash S. Dayama and Mr. Avinash H. Malpani. The Board members are the eminent persons having vast experience in the fields of Finance, Manufacturing, Marketing etc.

#### Proceedings of Board and Committee Meetings:

The Board is primarily responsible to provide and evaluate the strategic direction of the Company, management policies and their effectiveness. 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 and Committee meet at timely intervals to discuss the business transactions and for strategic decision making. The Board has constituted six committees i.e. Audit Committee, Stakeholders' Relationship Committee (Formerly: Shareholders'/ Investors' Grievance Committee), Nomination and Remuneration Committee (Formerly: Remuneration Committee), Risk Management Committee, Finance and General Affairs Committee and Corporate Social Responsibility 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-
  - Quarterly / Annual results of the Company;
  - Minutes of the meeting of Board, Audit and other Committees to the Board/ General Body Meetings;

- Details of Related Party Transactions;
  - Sale of material nature, if any, of investments and assets, which is not in the normal course of business;
  - Material important litigations, show cause notice, demand penalty, if any;
  - Annual Operating plans and budgets and any updates;
  - Capital budgets and any updates;
  - Information on recruitment of senior officers including appointment or removal of Chief Financial Officer and Company Secretary;
  - Investments/Divestment of Joint Ventures;
  - Acquisitions/Amalgamations, if any;
  - Compliance Report;
  - Any material default in the financial obligations to and by the Company, of substantial non-payment of the goods sold by the Company;
  - Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
  - 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;
  - Transaction 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 such as non-payment of dividend, delay in share transfers etc.;
  - Disclosure of interest by Directors about the directorship and committee positions by them in other companies; and
  - Other materially relevant information.
6. Draft minutes are circulated to all the members of the Board and Committee for their comments. The Chairman of the meeting signs the minutes so circulated, once approved by all the members of the Board.
  7. The proceedings of the Board Meetings, General Meetings and Committee Meetings are duly recorded in minutes book on timely basis.
  8. 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 year ended 31st December, 2014. 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                      COMPANY SECRETARY**

Place : Mumbai

Date : 14th May, 2015

**Meetings of the Board of Directors:**

During the year under review, the Board met 6 (Six) times on the following dates: 28th February, 2014, 11th April, 2014, 15th May, 2014, 2nd August, 2014, 14th August, 2014 and 14th November, 2014. The gap between two Board Meetings has been less than four months.

**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, 2014	Attendance at the Board Meeting
Mr. Subhash S. Dayama	Yes	6
Mr. Avinash H. Malpani	No	2
Mr. Naveen B. Mandhana	No	6

**Number of other Boards or Board Committees in which he is a member or chairperson:**

Name of the Director	Other Directorships			
	Directorship @	Company Chairmanship	Committee Chairmanship#	Committee Membership#
Mr. Subhash S. Dayama	11	-	3	4
Mr. Avinash H. Malpani	-	-	-	-
Mr. Naveen B. Mandhana	3	-	1	-

@ Directorships held by the directors do not include alternate directorships, directorships in Foreign Companies, Companies incorporated under Section 25 of the Companies Act, 1956 and Private Limited Companies.

# As per Clause 49 of the Listing Agreement, Membership/Chairmanships of only the Audit Committee and Stakeholders' Relationship Committee (Formerly Shareholders' Investors' Grievance Committee) of Public Limited Companies have been considered.

None of the Directors hold any shares in the Company.

None of the Directors are related to each other.

**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.

**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 under the Companies Act, 2013)

The Board defines the terms of reference of these Committees. The members of the Committees are elected by the Board and co-opted by the respective Committees.

➤ **AUDIT COMMITTEE:**

Members of Audit Committee comprises 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 and the Clause 49 of the Listing Agreement.

**Composition as on 31st December, 2014, Meetings and Attendances:**

The composition of the Audit Committee satisfies the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

During the year under review, the Committee met 4 (four) times on the following dates: 28th February, 2014, 15th May, 2014, 14th August, 2014 and 14th November, 2014.

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

Name of the Member	Designation	Category	No. of Meetings Attended
Mr. Subhash S. Dayama	Chairman	Independent	4
Mr. Avinash H. Malpani	Member	Independent	2
Mr. Naveen B. Mandhana	Member	Independent	4

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

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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956, (now Clause (c) of Sub-Section 3 of Section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Any related party transactions, including transactions of the Company of material nature, with the promoters or the management or their relatives with the subsidiary company etc., that may have potential conflict with the interest of the Company at large; and
  - g. Observations and Qualifications in the draft audit report, if any.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the Company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the company, wherever it is necessary
11. Evaluation of internal financial control and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.



13. 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.
14. Discussion with internal auditors about any significant findings and follow-up there on.
15. 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.
16. 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.
17. 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.
18. To review the functioning of the Whistle Blower mechanism.
19. 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.
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and as may be required in terms of the provisions of the Listing Agreement and the provisions of Companies Act, 2013.

**Powers of the Audit Committee includes:**

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

**Review of information by Audit Committee:**

The Audit Committee mandatorily reviews the following information:

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

**Whistle Blower Policy Mechanism**

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

➤ **STAKEHOLDER'S RELATIONSHIP COMMITTEE:**

During the year under review, the nomenclature of the Committee was changed from Shareholders'/Investors' Grievance Committee to Stakeholders' Relationship Committee in terms of the requirements of the amended Listing Agreement and the Companies Act, 2013.

**Composition as on 31st December, 2014, Meetings and Attendances:**

During the year under review, the Committee met 5 (Five) times on the following dates: 27th February, 2014, 15th May, 2014, 20th May, 2014, 14th August, 2014 and 14th November, 2014.

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

Name	Designation	Category	No. of Meetings Attended
Mr. Avinash H. Malpani	Chairman	Independent	2
Mr. Naveen B. Mandhana	Member	Independent	4
Mr. Subhash S. Dayama	Member	Independent	5

**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 not only performs the roles as laid down in Listing Agreement but also oversees performance of the Registrar and 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 Limited, Registrar and Transfer Agent of the Company, who processes the transfers.

**Compliance Officer:**

Ms. Anagha Joshi, Company Secretary, is the Compliance Officer for complying with the requirements of the Listing Agreement with the Stock Exchanges.

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

During the financial year under review, 49 (Forty Nine) Sub-Committee Meetings were held. The request for transfer, dematerialization and rematerialisation from the shareholders were received and approved, particulars of which are as under:

Particulars	Details
Number of share transfer deeds processed	103
Number of shares transferred	16,790
Average number of transfers per month	8.58
Number of demat request approved	394
Number of shares dematerialized	50,968
Percentage of shares dematerialized	0.13
Number of remat request approved	1
Number of shares rematerialized	100

During the year under review, the Company had received 192 complaints and all were disposed off. There were NIL complaints pending at the end of the year.

➤ **NOMINATION AND REMUNERATION COMMITTEE:**

During the year under review, in view of the amended Listing Agreement and provisions of the Companies Act, 2013, the nomenclature of the Committee was changed from "Remuneration Committee" to "Nomination and Remuneration Committee" and the scope of Committee was revised so as to bring in line with the amended Listing Agreement.

The Company Secretary is the *de-facto* Secretary of the Committee.

**Composition as on 31st December, 2014, Meetings and Attendances:**

During the year under review, 2 (Two) Committee Meetings were held on 31st January, 2014 and 15th May, 2014. The composition, meeting and attendance of the members are as follows:

Name	Designation	Category	No. of Meetings Attended
Mr. Naveen B. Mandhana	Chairman	Independent	2
Mr. Avinash H. Malpani	Member	Independent	1
Mr. Subhash S. Dayama	Member	Independent	2

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

The terms of reference and Scope of the Committee is as under:

- Fixing & 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;
- Recommend to the Board retirement benefits;
- Reviewing the performance of employees against specific key result areas; and
- To attend to any other responsibility as may be entrusted by the Board.

**Remuneration Policy & Evaluation Criteria:**

Pursuant to Clause 49 of the Listing Agreement and upon recommendation by the Nomination and Remuneration Committee, the Board of Directors have approved and adopted the Nomination and Remuneration Policy. This Policy can be viewed on the Company's website viz. www.valueind.in in the "Investor Relations" Section.

**Familiarisation Program:**

In terms of the provisions of Clause 49 of the Listing Agreement, the Company shall lay down a familiarisation program for the independent directors to help them understand the Company, its management, roles & responsibilities in the company, operations of the Company etc.

Accordingly, the Company has prepared the detailed program which has been uploaded on the website of the Company viz. www.valueind.in.

**Director's Remuneration:**

The Independent Directors are paid only sitting fees for attending Board/Committee Meetings. The details of sitting fees paid to Independent Directors during the year under review are as under:

Name	Sitting fees paid (₹)
Mr. Naveen B. Mandhana	34,000
Mr. Avinash H. Malpani	13,000
Mr. Subhash S. Dayama	37,000
<b>Total</b>	<b>84,000</b>

The Company has not issued any stock options.

**RISK MANAGEMENT COMMITTEE:**

During the year 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 December, 2014, was as under:

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

No meeting was held during the year under review.

**FINANCE AND GENERAL AFFAIRS COMMITTEE:**

**Composition as on 31st December, 2014, Meetings and Attendances:**

During the year under review, 11 (Eleven) Committee Meetings were held.

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

Name	Designation	Category	No. of Meetings Attended
Mr. Subhash S. Dayama	Chairman	Independent	11
Mr. Avinash H. Malpani	Member	Independent	3
Mr. Naveen B. Mandhana	Member	Independent	9

**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.

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

As per the provisions of Section 135 of the Companies Act, 2013 and the rules made thereunder, every company having-

- networth of ₹ 500 crores or more; or
- turnover of ₹ 1000 crores or more; or
- net profit of ₹ 5 crores or more

during any financial year, shall constitute a Corporate Social Responsibility (CSR) Committee, consisting of 3 or more directors, out of which atleast 1 director shall be an Independent Director.

Accordingly, during the year under review, the Company has constituted CSR Committee, which shall recommend the amount of expenditure to be incurred on such activities and monitor the Corporate Social Responsibility Policy of the Company.

**Composition of the Committee:**

The Composition of the Committee as on 31st December, 2014 was as under:

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

No meeting was held during the year under review.

**DETAILS OF GENERAL BODY MEETINGS**

**Location and time where the last three AGMs were held:**

AGM	Date	Location	Time	Number of Special Resolution Passed
24th	29th June, 2012	14 K. M. Stone, Aurangabad – Paithan Road, Village :Chittegaon, Taluka: Paithan, District: Aurangabad – 431 105	10.00 a.m.	NIL
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

**Postal Ballot**

During the financial year under review, 4 (Four) Special Resolutions were passed through Postal Ballot, particulars of which are set out hereunder:

Resolution No.	Particulars of the Resolution Passed	Section of the Companies Act, 2013, under which the resolution was passed
1	Authorised the Board of Directors of the Company to borrow money/moneys upto an amount not exceeding ₹ 50,000 Crores.	180(1)(c)

2.	Authorised the Board of Directors to sell, lease, mortgage, or otherwise dispose off the whole or substantially the whole of undertaking of the Company upto an amount not exceeding ₹ 50,000 Crores.	180(1)(a)
3.	Authorised the Board of Directors to make investments, extend guarantee, provide security, make inter-corporate loans upto an amount not exceeding ₹ 50,000 Crores.	186
4.	Alteration of Articles of Association	14

**Procedure of the Postal Ballot**

The Board of Directors of the Company had appointed Mrs. Gayathri R. Girish, Practicing Company Secretary, as Scrutinizer for conducting the Postal Ballot (physical & e-voting) process in a fair and transparent manner.

Notice of the Postal Ballot, together with a Statement setting out the material facts concerning each item of Special Business pursuant to the provisions of Section 102 of the Companies Act, 2013, Postal Ballot Form (PBF) and self-addressed envelope, postage paid by the Company were dispatched to all the shareholders of the Company and all other persons entitled to receive the same. Further, the Company had also provided the e-voting facility to enable the shareholders to cast their votes electronically.

The procedure for postal ballot was as per Section 110 and other applicable provisions of the Companies Act, 2013 read together with Rule 22 of the Companies (Management and Administration) Rules, 2014.

Results were announced and resolutions were declared as passed on 12th September, 2014.

Particulars	Number of Valid Votes Received	Votes in favour	% of voting in favour	Votes Against	% of voting Against	Abstain from Voting (No. of Shares)
Special Resolution under Section 180(1)(c)	18,449,942	18,431,870	99.90	18,072	0.10	Nil
Special Resolution under Section 180(1)(a)	18,449,942	18,428,075	99.88	21,867	0.12	Nil
Special Resolution under Section 186	18,449,942	18,429,114	99.89	20,828	0.11	Nil
Special Resolution under Section 14	18,449,942	18,429,441	99.89	20,501	0.11	Nil

52 PBF including electronic voting representing 17,574 equity shares were rejected/invalid cases.

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.

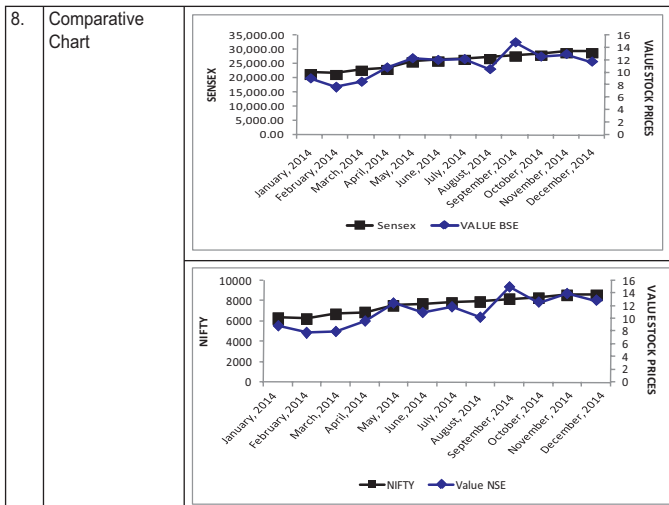
**DISCLOSURES**

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 interests of the Company at large. Transactions with related parties are disclosed in Note No. 33 of the "Notes forming part of the 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)	Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee.	The Company has implemented Whistle Blower Policy and it is hereby affirmed that no personnel have been denied access to the Audit Committee

d)	Details of Compliance with mandatory requirements and adoption of the non-mandatory requirements of this Clause	Mandatory requirements have been complied with and non-mandatory requirements like constitution of Corporate Social Responsibility Committee and Finance and General Affairs Committee have been complied with.
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**GENERAL INFORMATION FOR SHAREHOLDERS**

1.	Annual General Meeting	The 27th Annual General Meeting for financial year ended 31st December, 2014 shall be held on Tuesday, 30th June, 2015 at 2.00 pm. at the Registered Office of the Company at 14 K.M. Stone, Aurangabad-Paithan Road, Village: Chittegaon, Taluka: Paithan, District: Aurangabad – 431 105 (Maharashtra).				
2.	Financial Calendar	Financial Year	1st January, 2015 to 31st December, 2015			
		Un-Audited Financial Results	Announcement within 45 days from end of each quarter or such limit as may be prescribed by SEBI/Stock Exchanges			
		Results for the First Quarter	On or before 15th May, 2015			
		Results for the Second Quarter	On or before 14th August, 2015			
		Results for the Third Quarter	On or before 14th November, 2015			
		Results for the Fourth Quarter	On or before 29th February, 2016			
	Annual General Meeting for Financial Year ended 31st December, 2015	On or before 30th June, 2016				
3.	Date of Book Closure	Friday, 19th June, 2015 to Tuesday, 30th June, 2015 (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 2015-16. The Company has also paid Custodial Fees for the year 2014-2015 to National Securities Depository Limited and Central Depository Services (India) Limited. The Company is in process of making payment of Custodial Fees for the year 2015-16.				
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) 1 <sup>st</sup> Floor, New Trading Ring, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	500945 (Stock Code)			
		The National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051	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, 2014	9.00	6.45	8.90	6.30
		February, 2014	7.69	6.56	7.85	6.60
		March, 2014	8.47	6.00	8.05	6.25
		April, 2014	10.76	6.89	9.60	6.80
		May, 2014	12.28	6.55	12.50	7.15
		June, 2014	12.04	9.45	11.00	9.20
		July, 2014	12.13	9.50	11.95	9.45
		August, 2014	10.49	8.72	10.30	8.80
		September, 2014	14.90	8.50	15.10	8.40
		October, 2014	12.59	10.15	12.60	10.20
		November, 2014	12.90	10.80	14.00	11.00
		December, 2014	11.70	9.05	12.90	9.20



8. Comparative Chart

9. Registrar and Share Transfer Agents  
MCS Limited  
KashiramJamnadas Building, Office No. 21/22,  
Ground Floor, 5, P. D'mello Road (GhadiyalGodi),  
Masjid (East), Mumbai – 400 009  
Tel: +91-22 – 23726253-55  
Fax: +91-22 – 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 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 Practising Company Secretary.

12. Dematerialization of Shares  
The Securities and Exchange Board of India (SEBI), through a notification, has made it mandatory that any delivery in the Company's shares against stock exchange trades shall be in demat form. As on 31st December, 2014, 34,773,216 equity shares (88.74% of the total number of shares) have been dematerialized. The entire shareholding of promoter/promoter group is in dematerialized mode.

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.: +91-2431 251 555; Fax: +91-2431 251 571  
Email: secretarial\_value@videoconmail.com  
The correspondence address for shareholders in respect of their queries is:  
MCS Limited  
KashiramJamnadas Building,  
Office No. 21/22, Ground Floor,  
5, P. D'mello Road (GhadiyalGodi),  
Masjid (East), Mumbai – 400 009  
Tel: +91-22 – 23726253-55  
Fax: +91-22 – 23726252/23726256

**MEANS OF COMMUNICATION**

11. a) Shareholding Pattern as on 31st December, 2014, is given as under:

Category Code	Category of Shareholder	Number of Shareholders	Total Number of Shares	As a percentage of (A+B+C)
(A)	<b>Shareholding of Promoter and Promoter Group</b>			
(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)	<b>Public Shareholding</b>			
(1)	Institutions	52	965,880	2.46
(2)	Non-Institutions			
	-Bodies Corporate	545	1,558,522	3.98
	-Individuals	66,993	18,108,900	46.22
(3)	-Others	288	229,967	0.59
	<b>Sub-Total (B)</b>	<b>67,878</b>	<b>20,863,269</b>	<b>53.24</b>
	<b>TOTAL (A) + (B)</b>	<b>67,899</b>	<b>39,185,675</b>	<b>100.00</b>
(C)	<b>Shares held by Custodians and against which depository Receipt have been issued</b>			
(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>67,899</b>	<b>39,185,675</b>	<b>100.00</b>

b) Distribution of Shareholding as on 31st December, 2014, is as given below:

Shareholding of Nominal Value	Number of Shareholders	% to total	No of Shares	Amount in Rs	% to Total
Up to 5,000	64,084	94.38	7,663,650	7,663,6500	19.56
5001 to 10000	1,964	2.89	1,610,897	16,108,970	4.11
10001 to 20000	858	1.26	1,326,311	13,263,110	3.38
20001 to 30000	305	0.45	776,097	7,760,970	1.98
30001 to 40000	143	0.21	513,594	5,135,940	1.31
40001 to 50000	131	0.19	625,559	6,255,590	1.60
50001 to 100000	207	0.31	1,518,149	15,181,490	3.87
100001 and above	207	0.30	25,151,418	251,514,180	64.18
<b>TOTAL</b>	<b>67,899</b>	<b>100.00</b>	<b>39,185,675</b>	<b>391,856,750</b>	<b>100.00</b>

The Company regularly intimates its Un-Audited as well as Audited Financial Results, including quarterly results, to the Stock Exchanges in compliance with the Listing Agreement. The Financial Results are published in Financial Express or The Free Press Journal and Loksatta, the leading English and Marathi dailies. The results of the Company are also available on the website of the Company, i.e., www.valueind.in.

The official news releases and the presentations, if any, made to investors and financial analysts at investors' meets, from time to time, are also made available on the Company's website. The results are not sent individually to the shareholders.

In terms of the requirements of Clause 52 of the Listing Agreement with the Stock Exchanges in India, the un-audited financial results as well as audited financial results, Shareholding Pattern of the Company and Corporate Governance Report are electronically submitted, unless there are any technical difficulties and displayed through Corporate Filing and Dissemination System viz. www.corpfilling.co.in. and on listing.bseindia.com. Similarly, the un-audited financial results as well as audited financial results, Shareholding Pattern and Corporate Governance Report are also displayed on NEAPS (NSE Electronic Application Processing System) website i.e. www.connect2nse.com.

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 49 of the Listing Agreement 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 Year ended on 31st December, 2014 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 are fraudulent, illegal or violate 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 pertaining to financial reporting and that we have disclosed to the Auditors and the Audit Committee, the deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take 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 year;
  - 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.

For **VALUE INDUSTRIES LIMITED**

**HEAD - OPERATIONS**                      **CHIEF FINANCIAL OFFICER**

Place : Mumbai  
Date : 14th May, 2015

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of  
**VALUE INDUSTRIES LIMITED**

We have examined the compliance of conditions of Corporate Governance by Value Industries Limited, ("the Company") for the year ended on 31st December, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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 Clause 49 of Listing Agreement.

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 : 14th May, 2015

**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 the Listing Agreement.

### INDUSTRY STRUCTURE AND DEVELOPMENT

Around the globe, companies in the consumer electronics sector face continuous challenges, including relentlessly shrinking product and technology life cycles. With a fast growing population, India has the opportunity to change direction of the Consumer Electronics and Home Appliances Industry by improving the pace of innovation. The industry is optimistically looking towards the newly elected Government and its policy initiatives for further development of the sector. All eyes are on the new government for transforming India into a global hub for electronic system design and manufacturing.

Consistent increase in disposable income coupled with low penetration rates, makes India a promising market for consumer durable. The consumer durable industry is on a steady growth path. The increasing usage of home appliances in semi-urban and rural areas have catapulted Indian consumer to a high demand generating segment. Changes in lifestyle and advent of new technologies have also led to expansion of market in premium segment.

The lifestyles of the modern consumers have evolved transforming the purpose and requirement of consumer electronics and durable products. In light of this, the technological landscape has changed to cater to the rising demand of innovative products. Such innovations are not only enriching consumer lives but also present the company with endless prospects.

With more domestic and international brands entering the market, the durable industry is headed towards a state of hyper-competition. The price gap between the same consumer goods of different companies is narrowing down. The consumer electronics market is in a rapid evolution phase and the manufacturers are under tremendous competitive pressure to be the first-to-market with unique and differentiated products. Product innovation has driven much of the success in the consumer electronics sector. But with consumers' attention spans shrinking and product and technology lifecycles shortening, the competition has increased like never before.

Your Company's focus still remains on consumer satisfaction and this belief has led us to launch a variety of products in the consumer electronics industry including a range of refrigerators, washing machines and air conditioners.

### 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 the following products:

#### a. Washing Machines:

Gone are the days of washer-men assigned with the duties of collective washing of clothes for a group of households and communities. Washing machines have long since evolved from the simple torque powered equipment to a more intelligent home appliance. Washing as a phenomenon has been personalized in Indian residence with the advent of washing machines. As technology penetrates every home, automation of household chores becomes apparent. Today, washing machine has become one of the basic utilities for the households. From very crude and clumsy looks in the beginning, it has transformed into a stylish, trendy looking and highly visible home appliance.

With the rise of the Indian middle-class and its dependence on efficient technology, aspiration for a better lifestyle and comfortable living, easy finance options, dual income family structure and digital awareness has increased the demand for washing machines.

The washing machines segment on the whole is experiencing an upsurge. Latest innovations have made washing machines at par with today's ever – changing technology. Now they can work in the same way as a personal

computer and the user has to make that move to replace the old laundry buddy with hi-tech models.

With a constant endeavor to touch lives of consumers in newer ways, your Company has offered washing machines which are not only economical in their use of electricity, water and detergent but more emphasis has been laid on improved hygiene and low noise emissions. Technological advancements such as :

- Anti-bacterial door seals and detergent draws;
- Special foam technology;
- Multiple wash program for different clothing;
- Improved safety features and styling;
- Direct drive, air wash;
- Tub clean, transparent lids and toughened glass;
- Inverter Drive;
- Fuzzy Logic;
- Memory Backups;
- High Power Motors and High Spin Speed of 800RPM;
- Anti Foam sensors;
- Innovative Pulsator Designs;
- Digital displays; and
- Stainless Steel Body.

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.

#### b. Refrigerators:

Domestic Refrigerator market in India is one of the largest contributors to durable industry and is witnessing significant changes on account of rising per capita income and improved social indicators. Increased disposable income of urban households has contributed to development of rich features and higher capacity products. With improving infrastructure in rural geographies, an increase in rural demand is also expected in coming years.

Revolution in refrigerators is underway that embraces contemporary design, storage, flexibility, and the capacity. Enhanced refrigerators, boast of impressive features including key changes in style, technology and organization that make them the hub of the home. Your Company has been working towards advancement and innovation of the energy efficient refrigerators with high utility for end consumers.

Your Company is launching a contemporary and feature filled range of refrigerators from lower segment entry- level direct cools to double door frost free having the latest cooling technology in more than 10 variants. Your Company has introduced various features including developing special dividers and drawers for organization and storage, whether by family preference or food type. Also, special cooling technology that delivers optimal humidity for preserving food and locking in freshness and preventing odor transfer between compartments. To cater to the demand of modern consumers, your Company is constantly combining innovative, stylish designs with premium features, upgraded materials, enhanced performance, humidity control, increased hygiene, improved storage and improved energy efficiency. Refrigerators are available in various combinations like:

- top mounted freezer with a single refrigerator compartment;
- bottom mounted freezer with a single refrigerator compartment;
- side by side combination;
- french door combination with two eye level refrigerator compartments and a bottom mounted freezer; and
- armoire that has four doors made up of two eye level refrigerator compartments and two bottom compartments.

Technologies for refrigerators have gone smarter and have encompassed several features like:

- In-the-door icemaker;
- Dual evaporators;
- Bigger and better water dispensers;
- Middle drawers;
- Enhanced compressor designs;
- Temperature controlled drawers; and
- Convenient storage.

Your Company is committed to bring in new technology to cater to all segments of consumers. With tasteful exterior finishes, exclusive designs and equipped with plethora of tailor-made features, the Company has introduced masterpiece refrigerators to fit all consumer needs.

#### c. Air Conditioners:

Over the years, air conditioners have successfully provided comfort from soaring heat and unbearable humidity. Warm weather and high humidity levels make homes, offices; hot, stuffy and uncomfortable which gives rise to the need of air conditioners. As the living standards rise for millions of Indian people, the use of air conditioners is expected to sky rocket in coming decades. Today, when environment sustenance has become the buzzword in the technology world, every manufacturer has awakened to the vista of bringing down environmental abuse, so as to increase the life of the planet.

**Green air conditioning** is set to become the new benchmark with respect to energy savings and green technology in the air conditioners market. There is a buzz around ACs with *Inverter technology*, with these being a definitive step in terms of energy efficiency. The demand for *Split Air Conditioners* and *All Weather Air Conditioning Systems* is gaining momentum.

Innovation is the core philosophy behind the technology trends. New options have come up in the Industry with regard to air conditioning such as:

- **Geothermal systems:** These systems use the cool temperature underneath the ground to cool the house instead of hot air drawn from outside. These systems save a lot of energy and are incredibly energy efficient.
- **Heat Pump systems:** These systems have an ability to work as an air conditioner in the summer and can reverse its roles and become a heater when winter arrives. This system is also gaining popularity these days.
- **Ductless system:** The ductless system tends to cool one room at a time instead of moving cool air around the entire house.

#### Some of the innovations in air conditioners include:

- **Human sensor control:** A human sensor slows down the air conditioner's fan speed when the room is not in use and increases it when the room is entered again. This means the air conditioner does not work hard and saves on running costs.
- **Digital scroll:** This technology helps reduce energy usage by sensing how much capacity is required to cool or heat an area and exactly using that amount. It has the ability to slow down the fan speed much more than the conventional ducted reverse cycle air conditioners, by allowing it to reduce the running costs below that of ducted reverse cycle inverted air conditioners.
- **Cooling speed:** The ACs now come equipped with adjustable thermostats (temperature setting) and atleast two cooling speeds and a minimum of two fan speeds as consumers may use variable speeds for different times of the day. An energy efficient setting will be a beneficial addition as it helps in saving energy while providing optimum cooling.
- **Demand Response Enabling Device:** Energy companies are very much interested in this new feature, as it allows them to reduce the peak load on electricity grid. It works by the energy provider being able to limit the air conditioners power output at high-peak times.

## STRATEGY AND OUTLOOK

With the introduction of new technologies, healthcare benefits and energy efficiency, consumers are getting more aware of their necessities with a wide variety of brands and product offerings to choose from. As consumers' awareness levels – with respect to price, quality and value – increase and there emerges the desire to move up the value chain, it is reflected in better quality products. India is an emerging economy and thus the domestic market is fast moving towards durable products. The consumer durables industry is witnessing an exceptional change in technology and the demand of consumers is shifting to latest technology models. The smart home concept is increasingly moving center stage and the demand for wireless appliances continued to grow. While the Internet of Things (IoT) is still in its infancy, this technology is poised for massive growth in the upcoming years.

The Company's mission is to offer products which are not only technologically advanced but are relevant to the needs of the customers. The Company has aligned its products and marketing strategies accordingly to cater to all kinds of consumers.

With a constant endeavour to touch lives of consumers in newer ways and creating relevant products for the Indian market, the Company will continue to offer breakthrough products and expand its dynamic product portfolio. The market is expected to explode as the trend towards IoT related devices, applications and solutions are rapidly expanding the consumer market. Success in the future of IoT will stem from providing an exceptional, easy to use customer experience with compelling benefits, no matter the type of the product. The Company plans to achieve this with a robust strategy, powerful technology, efficient management and a cutting edge digital presence.

## OPPORTUNITIES AND THREATS

Washing machines, refrigerators and air conditioners represent a product category with major growth potential, particularly as a result of the shift in the consumer preferences towards higher end, technologically advanced and branded products around the world. The Company is well positioned to leverage on the following opportunities available in the Consumer Electronics and Home Appliances Industry:

- Green initiatives and high star rated products continue to become more relevant for Indian consumers owing to the promise of better resource efficiencies especially in bigger cities where electricity and water shortage is a pertinent concern. The Company is increasingly going green by adopting green technology and is coming up with its new range of products which are highly energy efficient and eco friendly.
- The situation of the industry will also depend a lot on the policies and actions of the new government. Stable government may improve the outlook of the economy which may benefit the industry as a whole.
- Improving demographics continue to offer an opportunity to more sophisticated products.
- Easy availability of finance and rise in income leading to increased purchasing power of consumers.
- There are opportunities to increase penetration in the Indian consumer electronic products and household appliances market. This can be achieved through growth of customer base and enlargement of Company's product portfolio.
- There are opportunities to improve level of service to network of dealers and distributors.

#### Threats:

The Company perceives certain threats in the coming future:

- Unprecedented price hike due to hardening of commodity prices impacted demand severely.
- Bureau of Energy Efficiency upgrades the standards every two years. This increases the obsolescence rate and drives prices up by 10-15%.
- Marketing, advertising and after sales servicing costs are increasing.
- Rising input costs and interest costs.
- Technological advancement and entry by new foreign brands.

- The focus of customers is shifting on energy efficient appliances and providing such appliances at a competitive price is a challenge.
- With multinational brands setting up their manufacturing plants in India, there may be an increased level of competition in the Indian market.
- Attracting and retaining human capital is going to be a key challenge.

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**FINANCIAL PERFORMANCE**

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**Income**

**Sales**

During the year under consideration, the Company achieved Gross Sales of ₹ 15,594.88 Million and as against ₹ 14,830.04 Million for the year ended 31st December, 2013.

**Other Income**

Other Income amounted to ₹ 5.28 Million for the year ended on 31st December, 2014 and ₹ 29.60 Million for the year ended on 31st December, 2013. Other Income comprises of income from investments and securities division, 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 ₹ 12,638.22 Million for the year ended 31st December, 2014 and ₹ 11,854.64 Million for the year ended on 31st December, 2013.

**Employee Benefits Expense**

During the year under review, employee benefits expense were ₹ 418.28 Million as against ₹ 326.49 Million for the year ended on 31st December, 2013.

**Other Expenses**

During the year under review, the other expenses were ₹ 899.96 Million as against ₹ 1,097.85 Million for the year ended on 31st December, 2013.

**Finance Costs**

For the year under review, finance costs amounted to ₹ 944.61 Million as against ₹ 1,017.22 Million for the year ended on 31st December, 2013.

**Depreciation and Amortization**

Depreciation and Amortization expenses amounted to ₹ 779.64 Million as against ₹ 847.08 Million for the year ended on 31st December, 2013.

**Loss before Tax**

The loss before tax was ₹ 543.32 Million for the financial year ended 31st December, 2014, as against the loss of ₹ 851.80 Million for the year ended on 31st December, 2013.

**Net Loss**

Net Loss for the year amounted to ₹ 437.88 Million as against the net loss of ₹ 727.77 Million for the year ended 31st December, 2013.

**Earnings Per Share**

The earnings per share of the Company for the year ended 31st December, 2014, amounted to ₹ (11.17) as against ₹ (18.57) for the year ended 31st December, 2013.

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**RISKS AND CONCERNS**

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The Company aims to address the opportunities offered and threats posed by its business environment strategically by maintaining a sustainable and robust business model and continually improving on them.

Risks associated with Consumer Electronics and Home Appliances Industry:

- Risk of assuming product liability, warranty and recall costs which may adversely affect results of operations and financial condition.

- Risk of relying on distribution network for marketing, sales and distribution of its products and under performance of distribution networks may adversely affect Company's sales and results of operations.
- Risk of keeping pace with technological changes.
- Political/ social upheavels.
- Declining margins for many players.
- High inflation and increasing commodity prices.

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**INTERNAL CONTROL SYSTEM**

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The Company believes that good internal control system forms an integral part of the overall governance process and freedom of management is best exercised within a framework of overall checks and balances. The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory Auditors. The Company remains committed to continuously monitor the effectiveness of the internal controls with an aim to provide an independent, objective and reasonable assurance on the efficacy of operations and security of assets.

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 and other data. These controls have been designed to provide a reasonable assurance 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 has continued its efforts to align all its processes and controls with global best practices in these areas as well. The top management and the Audit Committee of the Board reviews the findings and recommendations of the internal audit panel.

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**HUMAN RESOURCE MANAGEMENT**

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The Company continues to maintain healthy and harmonious industrial relations across all manufacturing units. The ultimate Human Resource goal of the Company is to develop people competencies to enable them to deliver as per the Company's strategies. The Human Resources Management team at the Company has continued its efforts and actions to provide efficient, effective and comprehensive services to its internal customers focused towards creating a culture of sustained business out performance. These have been achieved through deployment of an integrated talent management process. Various initiatives such as career planning, rewards, learning and development, growth and competitions have been taken during the year.

Our focus on values remains undiminished as we believe that belief and action linked by common set of values will drive the Company's performance to greater heights. Focus on values is constantly reinforced through day-to-day actions and conversations and form the bedrock of everything that Company do.

The Company has developed a HRD plan with the parameters to achieve excellent rank. Steps are taken to create a sense of belongingness in the minds of employees, which in turn gives maximum contribution per employee.

The Company continues to maintain cordial relations with its work force of around 770 employees throughout the year.

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**CAUTIONARY STATEMENT**

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*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 December, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### 2. Management's Responsibility for the Financial Statements

Management is responsible for 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 Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956 ("the Act") (which are deemed to be applicable as per Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's Internal Control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

### 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st December, 2014;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

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

A. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order. Our reporting in respect of Clauses (iii), (v)(a) and (b), (vi), (viii), (xiv), (xviii) of the Companies (Auditor's Report) Order, 2003 is only for the period beginning from 1st January, 2014 till 31st March, 2014 as the relevant sections of the Act have ceased to have effect from 1st April, 2014.

B. As required by Section 227(3) of the Act, we report that:

- a) we have 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 appears from our examination of those books;
- c) the Balance Sheet, 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 Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Act, (which are deemed to be applicable as per Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014);
- e) on the basis of written representations received from the Directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Act. The provisions of Section 274(1)(g) ceased to have effect from 1st April, 2014 and hence, the reporting requirement under Section 227(3)(f) of the Act is not applicable as of the Balance Sheet date.

**For KHANDELWAL JAIN & CO.**

*Chartered Accountants*

Firm Registration No.: 105049W

**BHUPENDRA Y. KARKHANIS**

*Partner*

Membership No.:108336

Place : Mumbai

Date : 28th February, 2015

**For KADAM & CO.**

*Chartered Accountants*

Firm Registration No.: 104524W

**U. S. KADAM**

*Partner*

Membership No.:31055



**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

Statement referred to in paragraph 5 of the Independent Auditors' Report of even date to the Members of Value Industries Limited ("the Company") on the financial statements for the year ended 31st December, 2014.

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets.
- (b) As per the information and explanations given to us, physical verification of fixed assets has been carried out in terms of the phased programme of verification adopted by the Company and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable, having regard to the size of the Company and nature of its business.
- (c) During the year the Company has not disposed off substantial part of fixed assets.
- (ii) (a) As per the information and explanation given to us, the inventories have been physically verified during the year by the management. 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 inventory 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 inventory. As per information and explanation 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) (a) As per the information and explanation given to us, the Company has not granted or taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (b) As the Company has not granted or taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, Sub-clauses (b), (c), (d), (f) and (g) of Clause (iii) of paragraph 4 of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control systems.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lacs, in respect of any party during the year, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public within the meaning of the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.
- (viii) The Central Government has prescribed maintenance of the cost records under Section 209(1)(d) of the Companies Act, 1956 in respect to the Company's products. We have broadly reviewed the books of account and records maintained by the Company in this connection and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. We have however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (ix) (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, Cess and other statutory dues wherever applicable. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31st December, 2014 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, Cess which have not been deposited on account of any dispute, are given below:

Name of the Statute	Nature of the Dues	Amount (₹ in Million)	Forum where dispute is pending
1. Customs Act, 1962	Custom Duty (including Penalty)	3.26	CESTAT Commissioner Dy. Commissioner
		4.37	
		5.46	
2. Central Excise Act, 1944	Excise Duty (including Penalty and Interest)	1.29	CESTAT Commissioner Addl. Commissioner Asst. Commissioner Superintendent
		56.01	
		2.81	
		0.50	
0.01			
3. Finance Act, 1994 (Service Tax Provisions)	Service Tax	1.00	Asst. Commissioner
4. Sales Tax Act of various States	Sales Tax	51.43	CTO Dy. Commissioner (Appeal) Asst. Commissioner STO
		9.27	
		4.62	
21.51			
5. Income Tax Act, 1961	Income Tax	39.70	CIT Appeal

- (x) There are accumulated losses of ₹ 916.96 Million as on 31st December, 2014, which are not more than fifty percent of its net worth. The Company has not incurred cash losses during the financial year covered by our audit but it had incurred cash losses during the immediately preceding financial year.
- (xi) Based on our audit procedures and the information and explanations given to us, it is observed that, the Company has defaulted in repayment of loans and payment of interest to banks and financial institutions which are summarized below:

Particulars	Principal Amount (₹ in Million)	Interest Amount (₹ in Million)	Delay in Days – Range
Amount paid before the year end	2.30	24.79	1 to 34 days
Amount outstanding as at 31st December, 2014	-	-	-

- (xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund company or *nidhi* /mutual benefit fund/ society. Therefore, the Clause (xiii) of paragraph 4 of the Order is not applicable to the Company.
- (xiv) The Company has maintained proper records of transactions and contracts in respect of dealing and trading in shares, securities, debentures and other investment and that timely entries have generally been made therein. All shares, debentures and other securities have been held by the Company in its own name except to the extent to the exemption granted under Section 49 of the Companies Act, 1956.
- (xv) According to the information and explanations given to us, the terms and conditions of guarantees 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.
- (xvi) According to the information and explanations given to us, the term loans raised during the year were applied, on an overall basis, for the purpose for which the loans were obtained.
- (xvii) On the basis of overall examination of the Balance Sheet of the Company, it is observed that, the Company has used funds raised on short term basis for long term investments to the extent of ₹ 1,519.24 Million.
- (xviii) According to the information and explanation given to us, the Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by way of public issues during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

**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 : 28th February, 2015



## BALANCE SHEET AS AT 31ST DECEMBER, 2014

(₹ in Million)

Particulars	Note No.	As at 31st Dec., 2014	As at 31st Dec., 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>1) Shareholders' Funds</b>			
a) Share Capital	2	391.86	391.86
b) Reserves and Surplus	3	2,392.09	2,829.97
		<u>2,783.95</u>	<u>3,221.83</u>
<b>2) Grant from Ozone Projects Trust Fund</b>	4	6.68	8.29
<b>3) Non-Current Liabilities</b>			
a) Long Term Borrowings	5	2,240.71	5,553.82
b) Deferred Tax Liability (Net)	6	524.21	629.65
c) Other Long Term Liabilities	7	37.71	30.98
d) Long Term Provisions	8	15.39	16.59
		<u>2,818.02</u>	<u>6,231.04</u>
<b>4) Current Liabilities</b>			
a) Short Term Borrowings	9	8,729.70	4,564.10
b) Trade Payables	10	1,772.11	1,763.92
c) Other Current Liabilities	11	262.52	1,070.09
d) Short Term Provisions	12	60.82	63.88
		<u>10,825.15</u>	<u>7,461.99</u>
		<u>16,433.80</u>	<u>16,923.15</u>
	<b>TOTAL</b>		
<b>II. ASSETS</b>			
<b>1) Non-Current Assets</b>			
a) Fixed Assets			
i) Tangible Assets	13	6,345.76	7,044.99
ii) Intangible Assets	13	8.03	11.84
iii) Capital work-in-progress	13	288.49	236.42
b) Non-Current Investments	14	445.11	312.53
c) Long Term Loans and Advances	15	70.03	79.91
		<u>7,157.42</u>	<u>7,685.69</u>
<b>2) Current Assets</b>			
a) Inventories	16	6,215.36	6,224.86
b) Trade Receivables	17	2,477.10	2,442.08
c) Cash and Bank Balances	18	150.98	152.60
d) Short Term Loans and Advances	19	426.43	410.28
e) Other Current Assets	20	6.51	7.64
		<u>9,276.38</u>	<u>9,237.46</u>
		<u>16,433.80</u>	<u>16,923.15</u>
	<b>TOTAL</b>		
<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 and on behalf of the Board

For KHANDELWAL JAIN & CO.  
Chartered AccountantsFor KADAM & CO.  
Chartered AccountantsS. S. DAYAMA  
DirectorBHUPENDRA Y. KARKHANIS  
Partner  
Membership No. 108336U. S. KADAM  
Partner  
Membership No. 31055ANAGHA JOSHI  
Company SecretaryN. B. MANDHANA  
DirectorPlace: Mumbai  
Date : 28th February, 2015

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST DECEMBER, 2014

(₹ in Million)

Particulars	Note No.	Year ended on 31st Dec., 2014	Year ended on 31st Dec., 2013
<b>I. INCOME</b>			
Revenue from Operations	21	15,594.88	14,830.04
Less: Excise Duty		462.77	568.16
Net Revenue from Operations		15,132.11	14,261.88
Other Income	22	5.28	29.60
<b>TOTAL INCOME</b>		<b>15,137.39</b>	<b>14,291.48</b>
<b>II. EXPENSES</b>			
Cost of Materials Consumed	23	5,626.98	5,446.61
Purchase of Stock-in-Trade	24	7,146.21	6,586.55
Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	25	(134.97)	(178.52)
Employee Benefits Expense	26	418.28	326.49
Finance Costs	27	944.61	1,017.22
Depreciation and Amortisation Expense	13	779.64	847.08
Other Expenses	28	899.96	1,097.85
<b>TOTAL EXPENSES</b>		<b>15,680.71</b>	<b>15,143.28</b>
<b>III. PROFIT/(LOSS) BEFORE TAX</b>		<b>(543.32)</b>	<b>(851.80)</b>
<b>IV. TAX EXPENSES</b>			
Current Tax		-	-
Deferred Tax		(105.44)	(124.03)
<b>V. PROFIT/(LOSS) FOR THE YEAR</b>		<b>(437.88)</b>	<b>(727.77)</b>
<b>VI. EARNINGS PER EQUITY SHARE OF FACE VALUE ₹ 10/- EACH</b>	29		
Basic and Diluted		(11.17)	(18.57)
<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 and on behalf of the Board

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

**For KADAM & CO.**  
Chartered Accountants

**S. S. DAYAMA**  
Director

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

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

**ANAGHA JOSHI**  
Company Secretary

**N. B. MANDHANA**  
Director

Place: Mumbai  
Date : 28th February, 2015

## CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST DECEMBER, 2014

(₹ in Million)

Particulars	Year ended on 31st Dec., 2014	Year ended on 31st Dec., 2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before Tax	(543.32)	(851.80)
Adjustments for:		
Depreciation and Amortisation	779.64	847.08
Finance Costs	957.37	1,027.38
Provision for Warranty and Maintenance Expenses	(3.80)	1.82
Provision for Gratuity	(1.13)	0.49
Provision for Leave Encashment	0.67	2.19
Interest Received	(12.76)	(10.16)
Income from Investments and Securities Division	(0.01)	-
Loss/(Profit) on Sale of Fixed Assets	0.38	(24.62)
Adjustment of Grant	(1.61)	(2.01)
<b>Operating Profit before Working Capital Changes</b>	<b>1,175.43</b>	<b>990.37</b>
Adjustments for:		
Inventories	9.50	(559.11)
Trade Receivables	(35.02)	118.88
Loans and Advances	(4.13)	35.00
Other Current Assets	1.13	(1.62)
Trade Payables	8.19	160.87
Other Current/Long Term Liabilities	6.65	53.39
Cash generated from Operations	1,161.75	797.78
Less: Taxes Paid/(Refund)-net	2.14	2.25
<b>Net Cash from Operating Activities</b>	<b>(A) 1,159.61</b>	<b>795.53</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Fixed Assets	2.36	41.90
Purchase of Fixed Assets (Including Capital Work-in-Progress)	(131.41)	(179.45)
Interest Received	12.76	10.16
(Increase) in Fixed Deposits and Other Bank Balances	(9.86)	(22.30)
Income from Investments and Securities Division	0.01	-
(Increase)/Decrease in Investments (Net)	(132.58)	153.03
<b>Net Cash (used in)/from Investing Activities</b>	<b>(B) (258.72)</b>	<b>3.34</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) in Long Term Borrowings	(4,119.71)	264.52
Increase/(Decrease) in Short Term Borrowings	4,165.60	(24.44)
Finance Costs	(957.37)	(1,027.38)
Payment of Dividend	(0.89)	(0.83)
<b>Net Cash (used in) Financing Activities</b>	<b>(C) (912.37)</b>	<b>(788.13)</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>(A+B+C) (11.48)</b>	<b>10.74</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>46.98</b>	<b>36.24</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>35.50</b>	<b>46.98</b>
<b>Other Bank Balances</b>	<b>115.48</b>	<b>105.62</b>
<b>Cash and Bank Balances at the end of the year (Note No. 18)</b>	<b>150.98</b>	<b>152.60</b>

As per our report of even date

For and on behalf of the Board

For KHANDELWAL JAIN & CO.  
Chartered AccountantsFor KADAM & CO.  
Chartered AccountantsS. S. DAYAMA  
DirectorBHUPENDRA Y. KARKHANIS  
Partner  
Membership No. 108336U. S. KADAM  
Partner  
Membership No. 31055ANAGHA JOSHI  
Company SecretaryN. B. MANDHANA  
DirectorPlace: Mumbai  
Date : 28th February, 2015

## 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, except for certain fixed assets which are revalued, using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act 1956, including the mandatory Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006.
- 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

The Company provides depreciation on fixed assets on straight line method at the rates specified in the Schedule XIV to the Companies Act, 1956, except on plant and machinery used in Refrigerator and Washing Machine Divisions, on which depreciation has been provided on written down value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

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 a 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.

##### 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.

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

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) Prior period items

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

### R) Other Accounting Policies

These are consistent with the generally accepted accounting principles.

(₹ in Million)

## 2. SHARE CAPITAL

### Authorised:

55,000,000 (Previous year 55,000,000) Equity Shares of ₹ 10/- each

7,500,000 (Previous year 7,500,000) Redeemable Preference Shares of ₹ 100/- each

	As at 31st Dec., 2014	As at 31st Dec., 2013
	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>

### Issued, Subscribed and Paid-up:

39,185,675 (Previous year 39,185,675) Equity Shares of ₹ 10/- each fully paid-up.

	As at 31st Dec., 2014		As at 31st Dec., 2013	
	No. of Shares	₹ in Million	No. of Shares	₹ in Million
<b>2.1 Reconciliation of the number of Shares:</b>				
<b>Equity Shares of ₹ 10/- each</b>				
Outstanding at the beginning of the year	39,185,675	391.86	39,185,675	391.86
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	39,185,675	391.86	39,185,675	391.86

### 2.2 Rights, preference and restrictions:

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



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

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 Dec., 2014		As at 31st Dec., 2013	
	No. of Shares	% of Holding	No. of Shares	% of Holding
a) Dome-Bell Electronics India Private Limited	4,498,495	11.48	4,498,495	11.48
b) Waluj Components Private Limited	2,606,478	6.65	2,606,478	6.65
c) Videocon Industries Limited	1,971,973	5.03	1,971,973	5.03

(₹ in Million)

3. RESERVES AND SURPLUS

- a) Capital Reserve (including Capital Subsidy)  
 As per last Balance Sheet

- b) Capital Redemption Reserve  
 As per last Balance Sheet

- c) Securities Premium Account  
 As per last Balance Sheet

- d) General Reserve  
 As per last Balance Sheet

- e) Surplus/(Deficit) in the Statement of Profit and Loss  
 As per last Balance Sheet  
 Add: Profit/(Loss) for the year

	As at 31st Dec., 2014	As at 31st Dec., 2013
(a)	3.64	3.64
(b)	780.76	780.76
(c)	899.03	899.03
(d)	1,625.62	1,625.62
(e)	(479.08)	248.69
	(437.88)	(727.77)
(e)	(916.96)	(479.08)
<b>Total (a to e)</b>	<b>2,392.09</b>	<b>2,829.97</b>

4. As per the accounting policy followed by the Company, the Grant received from Ozone Projects Trust Fund for financing the machinery under the project 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 project. Accordingly, an amount of ₹ 1.61 Million (Previous year ₹ 2.01 Million) has been allocated to income and credited to other non-operating income, in proportion to the depreciation charged on those assets for the year. The balance deferred income has been carried to Balance Sheet as Grant from Ozone Projects Trust Fund.

(₹ in Million)

5. LONG-TERM BORROWINGS

a) Secured

- Rupee Term Loans from Banks  
 External Commercial Borrowings  
 Vehicle Loans from Banks

b) Unsecured

- Rupee Loans from Bank  
 Loan from Others

	As at 31st Dec., 2014		As at 31st Dec., 2013	
	Non-Current	Current	Non-Current	Current
(a)	2,239.76	23.15	1,546.53	18.66
	-	-	-	311.30
	-	0.71	0.67	1.17
(a)	2,239.76	23.86	1,547.20	331.13
(b)	-	-	-	500.00
	0.95	5.67	4,006.62	5.00
(b)	0.95	5.67	4,006.62	505.00
<b>Total (a+b)</b>	<b>2,240.71</b>	<b>29.53</b>	<b>5,553.82</b>	<b>836.13</b>

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 (formerly Next Retail 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.

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

(₹ in Million)

	Secured	Unsecured
	Rupee Loans from Banks	From Others
Financial Year 2016	49.19	0.95
Financial Year 2017	57.88	-
Financial Year 2018	188.09	-
Financial Year 2019	491.94	-
Financial Year 2020	578.75	-
Financial Year 2021	578.75	-
Financial Year 2022	295.16	-

**5.2 Maturity Profile:**

Financial Year 2016	49.19	0.95
Financial Year 2017	57.88	-
Financial Year 2018	188.09	-
Financial Year 2019	491.94	-
Financial Year 2020	578.75	-
Financial Year 2021	578.75	-
Financial Year 2022	295.16	-

(₹ in Million)

**6. DEFERRED TAX LIABILITY (Net)**

	As at 31st Dec., 2014	As at 31st Dec., 2013
a) Deferred Tax Liability		
Related to Depreciation on Fixed Assets and Amortisation	846.27	916.64
	<b>(a) 846.27</b>	916.64
b) Deferred Tax Assets		
i) Expenses charged in the financial statements but allowable as deduction in future years under the Income Tax Act, 1961	10.85	11.42
ii) Related to unabsorbed depreciation and losses	311.21	275.57
	<b>(b) 322.06</b>	286.99
Net Deferred Tax Liability	<b>(a-b) 524.21</b>	629.65

**7. OTHER LONG-TERM LIABILITIES**

Security Deposits from Dealers	37.71	30.98
<b>Total</b>	<b>37.71</b>	30.98

**8. LONG-TERM PROVISIONS**

Provision for Gratuity (Refer Note No. 32B)	9.28	11.07
Provision for Leave Encashment (Refer Note No. 32B)	6.11	5.52
<b>Total</b>	<b>15.39</b>	16.59

**9. SHORT-TERM BORROWINGS****Secured**

Working Capital Loans from Banks	4,554.70	4,564.10
	<b>(a) 4,554.70</b>	4,564.10

**Unsecured**

Loans repayable on demand: From Others	4,175.00	-
	<b>(b) 4,175.00</b>	-
<b>Total (a+b)</b>	<b>8,729.70</b>	4,564.10

**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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

(₹ in Million)

10. TRADE PAYABLES

Micro, Small and Medium Enterprises  
Others

	As at 31st Dec., 2014	As at 31st Dec., 2013
	15.90	14.85
	1,756.21	1,749.07
<b>Total</b>	<b>1,772.11</b>	<b>1,763.92</b>

10.1 Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006:

a) Principle amount remaining unpaid as at the end of the year	15.90	14.85
b) Interest due thereon as at the end of the year	0.08	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 year	2.21	-
d) Interest due and payable for the period of delay in making payment	0.08	0.08
e) Interest accrued and remaining unpaid at the end of the year	0.08	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)

11. OTHER CURRENT LIABILITIES

Current maturities of Long-Term Borrowings (Refer Note No. 5)  
Bank Overdraft as per Books  
Interest accrued but not due on Borrowings  
Interest accrued and due on Borrowings  
Unclaimed Dividend  
Security Deposits from Dealers  
Other Payables

	As at 31st Dec., 2014	As at 31st Dec., 2013
	29.53	836.13
	0.84	-
	15.12	13.20
	-	19.74
	6.43	7.32
	17.81	14.99
	192.79	178.71
<b>Total</b>	<b>262.52</b>	<b>1,070.09</b>

12. SHORT-TERM PROVISIONS

Provision for Warranty and Maintenance Expenses (Refer Note No. 31)  
Provision for Gratuity (Refer Note No. 32B)  
Provision for Leave Encashment (Refer Note No. 32B)

	57.17	60.97
	3.21	2.55
	0.44	0.36
<b>Total</b>	<b>60.82</b>	<b>63.88</b>

13. FIXED ASSETS

(₹ in Million)

Particulars	Gross Block				Depreciation/Amortisation/Impairment				Net Block		
	As at 31st Dec., 2013	Additions	Deductions/ Adjustments	As at 31st Dec., 2014	As at 31st Dec., 2013	For the year	Deductions/ Adjustments	As at 31st Dec., 2014	As at 31st Dec., 2014	As at 31st Dec., 2013	
<b>i) Tangible Assets</b>											
Freehold Land	8.14	-	-	8.14	-	-	-	-	8.14	8.14	
Building	1,610.95	24.68	-	1,635.63	510.10	30.43	-	540.53	1,095.10	1,100.85	
Plant and Machinery	15,902.17	37.79	-	15,939.96	10,080.11	735.61	-	10,815.72	5,124.24	5,822.06	
Electrical Installation	107.41	-	-	107.41	91.70	1.04	-	92.74	14.67	15.71	
Computers	39.19	0.25	-	39.44	36.33	0.67	-	37.00	2.44	2.86	
Furniture and Fixtures	113.56	10.12	-	123.68	37.06	5.97	-	43.03	80.65	76.50	
Office Equipments	30.23	3.90	-	34.13	15.46	1.49	-	16.95	17.18	14.77	
Vehicles	14.12	2.60	3.76	12.96	10.02	0.62	1.02	9.62	3.34	4.10	
<b>Total (i)</b>	<b>17,825.77</b>	<b>79.34</b>	<b>3.76</b>	<b>17,901.35</b>	<b>10,780.78</b>	<b>775.83</b>	<b>1.02</b>	<b>11,555.59</b>	<b>6,345.76</b>	<b>7,044.99</b>	
<b>ii) Intangible Assets</b>											
Computer Software	37.99	-	-	37.99	26.15	3.81	-	29.96	8.03	11.84	
<b>Total (ii)</b>	<b>37.99</b>	<b>-</b>	<b>-</b>	<b>37.99</b>	<b>26.15</b>	<b>3.81</b>	<b>-</b>	<b>29.96</b>	<b>8.03</b>	<b>11.84</b>	
<b>Total (i+ii)</b>	<b>17,863.76</b>	<b>79.34</b>	<b>3.76</b>	<b>17,939.34</b>	<b>10,806.93</b>	<b>779.64</b>	<b>1.02</b>	<b>11,585.55</b>	<b>6,353.79</b>	<b>7,056.83</b>	
Previous year as at 31st Dec., 2013	17,737.62	148.85	22.71	17,863.76	9,965.28	847.08	5.43	10,806.93	7,056.83		
<b>iii) Capital Work-in-Progress</b>	<b>236.42</b>			<b>288.49</b>					<b>288.49</b>	<b>236.42</b>	

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

## 14. NON-CURRENT INVESTMENTS

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

	Face Value	As at 31st Dec., 2014		As at 31st Dec., 2013	
		No. of Shares	₹ in Million	No. of Shares	₹ in Million
Videocon Industries Limited	₹ 10	435,411	93.57	435,411	93.57
			93.57		93.57

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

Punj Lloyd Limited	₹ 2	500	0.03	500	0.03
Sri Laxmi Saraswati Textiles Limited	₹ 10	11,800	0.16	11,800	0.16
Hindustan Adhesive Limited	₹ 10	14,200	0.09	14,200	0.09
India Steel Works Limited	₹ 1	7,500	0.02	7,500	0.02
			0.30		0.30

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

Applicomp (India) Limited	₹ 10	22,970,000	229.70	9,712,000	97.12
Century Appliances Limited	₹ 10	990,000	9.90	990,000	9.90
Force Appliances Private Limited	₹ 10	1,360,000	54.00	1,360,000	54.00
Indian Refrigerator Company Limited	₹ 10	849,930	8.50	849,930	8.50
Millennium Appliances India Limited	₹ 10	10,000	0.10	10,000	0.10
			302.20		169.62

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

Digital Display Devices S.p.A.	€ 1	36,000	1.956	36,000	1.956
Holzmann Videocon Engineers Limited	₹ 10	340,600	-	340,600	-
Jupiter Corporation Inc.	US\$ 1	190	0.008	190	0.008
Kores (India) Limited	₹ 10	305,000	0.305	305,000	0.305
Mars Overseas Limited	US\$ 1	190,000	7.649	190,000	7.649
P T Videocon Indonesia	US\$ 50	475	0.941	475	0.941
Powerking Corporation Limited	US\$ 1	2,717	0.129	2,717	0.129
Quadrant Corporation Inc.	US\$ 1	190	0.009	190	0.009
Sapphire Overseas Inc.	US\$ 1	1,900	0.082	1,900	0.082
Taurus Overseas Inc.	US\$ 1	190	0.008	190	0.008
Trend Limited	US\$ 1	76,000	3.490	76,000	3.490
Tusker Overseas Inc.	US\$ 1	190	0.008	190	0.008
VCIL Netherlands B.V.	€ 100	34	0.129	34	0.129
Venus Corporation Limited	US\$ 1	2,983	0.142	2,983	0.142
Cristal (Cayman) Limited (formerly Videocon (Cayman) Limited)	US\$ 1	579,500	28.653	579,500	28.653
Videocon (Mauritius) Infrastructure Ventures Limited	US\$ 1	100,700	4.919	100,700	4.919
Videocon Realty Private Limited	₹ 10	2,500	0.025	2,500	0.025
Titan Realty Private Limited	₹ 10	2,500	0.025	2,500	0.025
Videocon Sez Infrastructures Private Limited	₹ 10	2,500	0.025	2,500	0.025
Veronica Properties Private Limited	₹ 10	2,500	0.025	2,500	0.025
Bombay Mercantile Co-Operative Bank Limited	₹ 10	500	0.005	500	0.005
In Co-Operative Societies			0.002		0.002
			48.54		48.54

**In Mutual Fund Units**

Axis Equity Fund	₹ 10	50,000	0.50	50,000	0.50
			0.50		0.50

**Total Non-Current Investments**

Aggregate amount of Quoted Investments			93.87		93.87
Aggregate Market value of Quoted Investments			70.81		75.51
Aggregate amount of Unquoted Investments			351.24		218.66

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

		(₹ in Million)	
		As at 31st Dec., 2014	As at 31st Dec., 2013
<b>15. LONG TERM LOANS AND ADVANCES</b>			
	(Unsecured, considered good)		
	Capital Advances	0.30	11.00
	Security Deposits	18.71	21.60
	Other Deposits	32.40	30.83
	MAT Credit Entitlement	1.72	1.72
	Advance Income Tax (Net of Provision)	16.90	14.76
	<b>Total</b>	<b>70.03</b>	<b>79.91</b>
<b>16. INVENTORIES</b>			
	(As taken, valued and certified by the Management)		
	Raw Materials including Consumables, Stores and Spares	4,259.10	4,476.00
	Raw Materials in Transit and in Bonded Warehouse	160.76	88.33
	Work-in-Process	1,359.10	1,373.52
	Finished Goods and Stock in Trade	436.40	287.01
	<b>Total</b>	<b>6,215.36</b>	<b>6,224.86</b>
<b>17. TRADE RECEIVABLES</b>			
	(Unsecured, considered good)		
	Outstanding for a period exceeding six months	2.79	4.14
	Others	2,474.31	2,437.94
	<b>Total</b>	<b>2,477.10</b>	<b>2,442.08</b>
<b>18. CASH AND BANK BALANCES</b>			
	<b>a) Cash and Cash Equivalents</b>		
	Cash on hand	2.44	2.88
	Balances with Banks in Current Accounts	33.06	44.10
	<b>(a)</b>	<b>35.50</b>	<b>46.98</b>
	<b>b) Other Bank Balances</b>		
	In Dividend Warrant Accounts	6.43	7.32
	In Fixed Deposits (held as margin money for credit facilities and other commitments)		
	- Maturity 12 months or less	84.92	71.32
	- Maturity more than 12 months	24.13	26.98
	<b>(b)</b>	<b>115.48</b>	<b>105.62</b>
	<b>Total (a+b)</b>	<b>150.98</b>	<b>152.60</b>
<b>19. SHORT TERM LOANS AND ADVANCES</b>			
	(Unsecured, considered good)		
	Balance with Central Excise/Customs Department	13.03	0.33
	Other Short Term Loans and Advances	413.40	409.95
	<b>Total</b>	<b>426.43</b>	<b>410.28</b>
<b>20. OTHER CURRENT ASSETS</b>			
	Interest Accrued	6.51	7.63
	Insurance Claim Receivable	-	0.01
	<b>Total</b>	<b>6.51</b>	<b>7.64</b>
		(₹ in Million)	
		Year ended on 31st Dec., 2014	Year ended on 31st Dec., 2013
<b>21. REVENUE FROM OPERATIONS</b>			
	Sale of Products - Electrical and Electronic items	15,546.64	14,773.16
	Income from Services	18.27	23.03
	Other Operating Revenue	29.97	33.85
	<b>Total</b>	<b>15,594.88</b>	<b>14,830.04</b>



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

		(₹ in Million)	
		Year ended on 31st Dec., 2014	Year ended on 31st Dec., 2013
<b>22. OTHER INCOME</b>			
Income from Investments and Securities Division (Refer Note No. 30.1)		0.01	-
Profit on Sale of Fixed Assets		-	24.62
Insurance Claim Received		2.57	2.07
Other Non Operating Income		2.70	2.91
	<b>Total</b>	<b>5.28</b>	<b>29.60</b>

		Year ended on 31st Dec., 2014		Year ended on 31st Dec., 2013	
		Percentage	₹ in Million	Percentage	₹ in Million
<b>23. COST OF MATERIALS CONSUMED</b>					
Imported		12.72	715.85	14.21	774.00
Indigenous		87.28	4,911.13	85.79	4,672.61
	<b>Total</b>	<b>100.00</b>	<b>5,626.98</b>	<b>100.00</b>	<b>5,446.61</b>

		(₹ in Million)	
		Year ended on 31st Dec., 2014	Year ended on 31st Dec., 2013
<b>23.1 Particulars of Materials Consumed</b>			
Plastic Raw Materials and Components		960.21	905.15
Electrical and Electronic Components		3,335.98	3,219.41
Other Raw Materials and Components		1,330.79	1,322.05
	<b>Total</b>	<b>5,626.98</b>	<b>5,446.61</b>
<b>24. PURCHASES OF STOCK-IN-TRADE</b>			
Electrical and Electronic items		7,146.21	6,586.55
	<b>Total</b>	<b>7,146.21</b>	<b>6,586.55</b>
<b>25. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE</b>			
<b>Closing Inventories</b>			
Finished Goods and Stock-in-Trade		436.40	287.01
Work-in-Process		1,359.10	1,373.52
	<b>(a)</b>	<b>1,795.50</b>	<b>1,660.53</b>
<b>Opening Inventories</b>			
Finished Goods and Stock-in-Trade		287.01	302.07
Work-in-Process		1,373.52	1,179.94
	<b>(b)</b>	<b>1,660.53</b>	<b>1,482.01</b>
	<b>(b-a)</b>	<b>(134.97)</b>	<b>(178.52)</b>
<b>26. EMPLOYEE BENEFITS EXPENSE</b>			
Salary, Wages and Other Benefits		371.05	279.36
Contribution to Provident Fund and Other Funds		28.85	27.68
Staff Welfare Expenses		18.38	19.45
	<b>Total</b>	<b>418.28</b>	<b>326.49</b>
<b>27. FINANCE COSTS</b>			
Interest Expenses		946.14	953.38
Other Borrowing Costs		11.23	20.51
Applicable Loss on Foreign Currency Transactions and Translations		-	53.49
		<b>957.37</b>	<b>1,027.38</b>
Less: Interest Received		12.76	10.16
	<b>Total</b>	<b>944.61</b>	<b>1,017.22</b>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

		(₹ in Million)	
		Year ended on 31st Dec., 2014	Year ended on 31st Dec., 2013
<b>28. OTHER EXPENSES</b>			
Power, Fuel and Water		70.58	80.96
Rent		71.63	83.70
Repairs to Building		2.03	1.47
Repairs to Plant and Machinery		10.84	4.84
Other Repairs and Maintenance		2.95	5.28
Insurance		4.59	6.60
Rates and Taxes		9.79	19.29
Carriage and Cartage		186.12	173.27
Advertisement, Publicity and Sales Promotion		17.67	66.33
Discount and Incentive Schemes		186.88	231.86
Bank Charges		25.92	34.80
Payment to Auditors (Refer Note No. 30.3)		2.58	2.26
Directors' Sitting Fees		0.08	0.09
Loss by Theft		-	45.06
Loss on Sale of Fixed Assets		0.38	-
Legal and Professional Charges		17.74	14.57
Royalty		38.15	60.06
Warranty and Maintenance		143.31	168.06
Exchange Rate Fluctuation		5.06	27.26
Office and General Expenses		103.66	72.09
<b>Total</b>		<b>899.96</b>	<b>1,097.85</b>

**29. EARNINGS PER SHARE**

		Year ended on 31st Dec., 2014	Year ended on 31st Dec., 2013
i) Net Profit/(Loss) attributable to Equity Shareholders (₹ in Million)		(437.88)	(727.77)
ii) Weighted Average Number of Equity Shares		39,185,675	39,185,675
iii) Basic and Diluted Earnings per Share of ₹ 10/- each (₹)		(11.17)	(18.57)

**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 ₹ 0.01 Million (Previous year ₹ Nil).

**30.2 C.I.F. Value of Imports and Expenditure in Foreign Currency**

		(₹ in Million)	
		Year ended on 31st Dec., 2014	Year ended on 31st Dec., 2013
C.I.F. Value of Imports:			
Raw Materials		840.93	899.61
Capital Goods		14.45	4.38
Expenditure incurred in Foreign Currency:			
Interest		8.74	18.11
Travelling		1.38	-
Others		0.30	6.10

**30.3 Payment to Auditors**

		(₹ in Million)	
		Year ended on 31st Dec., 2014	Year ended on 31st Dec., 2013
a) Statutory Audit Fees		1.80	1.60
b) Tax Audit Fees		0.15	0.15
c) Other Services		0.60	0.49
d) Reimbursement of Expenses		0.03	0.02
<b>Total</b>		<b>2.58</b>	<b>2.26</b>

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

31. As required by Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets" issued by the Institute of Chartered Accountants of India, the disclosure with respect to Provision for Warranty and Maintenance Expenses is as follows:

(₹ in Million)

	Year ended on 31st Dec., 2014	Year ended on 31st Dec., 2013
a) Amount at the beginning of the year	60.97	59.15
b) Additional provision made during the year	57.17	60.97
c) Amount used	59.43	57.65
d) Unused amount reversed during the year	1.54	1.50
e) Amount at the end of the year	57.17	60.97

## 32. EMPLOYEE BENEFITS:

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

## A) Defined Contribution Plans:

Amount of ₹ 28.85 Million (Previous year ₹ 27.68 Million) is recognised as an expense and shown under the head "Employee Benefits Expense" (Note No. 26) in the Statement of Profit and Loss.

(₹ in Million)

## B) Defined Benefit Plans:

	Gratuity		Leave Encashment	
	31st Dec., 2014	31st Dec., 2013	31st Dec., 2014	31st Dec., 2013
I) The amounts recognised in the Balance Sheet as at the end of the year:				
a) Present value of Defined Benefit Obligation	35.31	29.58	6.55	5.88
b) Fair value of Plan Assets	22.82	15.96	-	-
c) Funded Status - Surplus/(Deficit)	(12.49)	(13.62)	(6.55)	(5.88)
d) Net Assets/(Liability)				
i) Non Current	(9.28)	(11.07)	(6.11)	(5.52)
ii) Current	(3.21)	(2.55)	(0.44)	(0.36)
II) The amounts recognised in the Statement of Profit and Loss for the year:				
a) Current Service Cost	2.87	4.05	2.03	2.70
b) Interest Cost	2.69	1.74	0.36	0.22
c) Actuarial (Gains)/Losses	0.38	3.40	1.48	1.58
d) Actual return on Plan Assets	1.42	1.27	-	-
e) Past Service Liability	2.23	-	1.03	-
f) Total Expenses	6.75	7.92	4.90	4.50
III) The changes in Obligations during the year:				
a) Present value of Defined Benefit Obligation at the beginning of the year	29.58	21.18	5.88	3.69
b) Current Service Cost	2.87	4.05	2.03	2.70
c) Interest Cost	2.69	1.74	0.36	0.22
d) Actuarial (Gains)/Losses	0.38	3.40	1.48	1.58
e) Past Service Liability	2.23	-	1.03	-
f) Benefit Payments	2.44	0.79	4.23	2.31
g) Present value of Defined Benefit Obligation at the end of the year	35.31	29.58	6.55	5.88
IV) The changes in Plan Assets during the year:				
a) Plan Assets at the beginning of the year	15.96	8.05	-	-
b) Contribution by Employer	6.61	7.16	-	-
c) Actual Benefits paid	1.17	0.52	-	-
d) Plan Assets at the end of the year	22.82	15.96	-	-
e) Actual return on Plan Assets	1.42	1.27	-	-
V) Actuarial Assumptions				
a) Discount Rate	-	8% 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. Mukesh Batra - General Manager (upto 30th June, 2014)

Mr. K. K. Sukumaran - Assistant General Manager (w.e.f. 1st July, 2014)

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

Remuneration to Key Management Personnel - ₹ 2.57 Million (Previous year ₹ 4.98 Million)

34. CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Million)

	As at 31st Dec., 2014	As at 31st Dec., 2013
<b>A) Contingent Liabilities not provided for:</b>		
i) Letters of Credit opened	244.60	799.21
ii) Letters of Guarantees	2,485.12	1,506.17
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)]	15.68	16.73
b) Excise Duty and Service Tax demands and penalties under dispute [Amount paid under protest ₹ 1.00 Million (Previous year ₹ 1.00 Million)]	62.62	53.10
c) Sales Tax demands and penalties under dispute [Amount paid under protest ₹ 28.82 Million (Previous year ₹ 27.24 Million)]	115.65	82.37
d) Others	-	32.16
iv) Income Tax matters in respect of which appeals are pending [Amount paid under protest/adjusted by Department ₹ 18.15 Million (Previous year ₹ Nil)]	57.85	19.26
<b>B) Commitments</b>		
Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances)	1.30	30.45

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 (formerly Next Retail 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 December, 2014 of ₹ 195,181.84 Million (Previous year ₹ 193,053.42 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 entities. 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. Figures of previous year have been reclassified, restated, recasted to conform to the classification of the current year.

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

S. S. DAYAMA  
Director

BHUPENDRA Y. KARKHANIS  
Partner  
Membership No. 108336

U. S. KADAM  
Partner  
Membership No. 31055

ANAGHA JOSHI  
Company Secretary

N. B. MANDHANA  
Director

Place: Mumbai  
Date : 28th February, 2015







as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the Company, to be held on Tuesday, 30th day of June, 2015 at 2.00 p.m. at the Registered Office at 14 K. M. Stone, Aurangabad - Paithan Road, Village: Chittegaon, Taluka: Paithan, District: Aurangabad - 431 105 (Maharashtra) and at any adjournment thereof in respect of such Resolutions as are indicated below:

Resolution Number	Resolution	For	Against
<b>Ordinary Business:</b>			
1.	To adopt the Audited Statement of Profit and Loss for the financial year ended 31st December, 2014 and the Audited Balance Sheet as at that date together with the Reports of the Board of Directors and Auditors thereon.		
2.	To ratify the appointment of Auditors and fixation of their remuneration.		
<b>Special Business:</b>			
3.	To confirm/appoint Mr. Avinash H. Malpani (DIN: 00279976) as an Independent Director.		
4.	To confirm/appoint Mr. Naveen B. Mandhana (DIN: 01222013) as an Independent Director.		
5.	To appoint Mrs. Gayathri R. Girish (DIN: 07145426), as a Director, liable to retire by rotation.		
6.	To ratify payment of remuneration to Cost Auditor of the Company.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015.



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

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

**Notes:**

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







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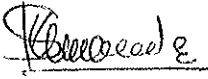

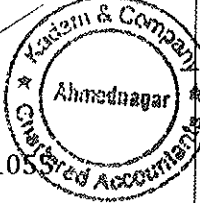

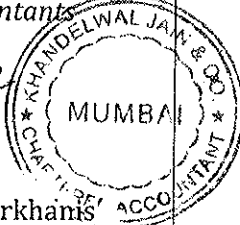
**Unit: Value Industries Limited**

Kashiram Jamnadas Building, Office No. 21/22, Ground Floor,  
5, P.D'mello Road (Ghadiyal Godi), Masjid (East), Mumbai 400 009.



**FORM A**

**Letter of the annual audit report of Value Industries Limited to be filed with the Stock Exchange**

1.	Name of the company	Value Industries Limited	
2.	Annual financial statements for the year ended	31st December, 2014	
3.	Type of Audit observation	The Report is unqualified.	
4.	Frequency of observation	N.A.	
5.	To be signed by-		
	• CEO/Managing Director		
	• CFO		
	• Auditor of the Company	<p><b>For Kadam &amp; Co.</b> Chartered Accountants</p>   <p>U. S. Kadam Partner Mem. No. 3105</p>	<p><b>For Khandelwal Jain &amp; Co.</b> Chartered Accountants</p>   <p>Bhupendra Y. Karkhams Partner Mem. No. 108336</p>
	• Audit Committee Chairman	