



Value Industries Limited

**Annual Report
2017-18**



CORPORATE INFORMATION

RESOLUTION PROFESSIONAL

DUSHYANT C. DAVE

IP Registration No. IBBI/IPA-003/IP-P00061/2017-18/10502

REGISTERED OFFICE

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

BOARD OF DIRECTORS

Mr. Bhujang S. Kakade
Mr. Deepak A. Pednekar
Mr. Naveen B. Mandhana

CORPORATE OFFICE

171-C, Floor-17, Plot-224, C Wing, Mittal
Court, Nariman Point, Mumbai –
400021(Maharashtra).

AUDITORS

S. Z. DESHMUKH & CO.

Chartered Accountants
Flat No. 306, Aastha Apartment, Third Floor,
Opp. Population Science Centre, Deonar,
Mumbai - 400088(Maharashtra)

BANKERS

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

MANUFACTURING FACILITY

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

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NOTICE

NOTICE

NOTICE is hereby given that the Thirtieth Annual General Meeting of the Members of **VALUE INDUSTRIES LIMITED** (the "Company") will be held on Friday, 28th December, 2018 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 3:00 p.m. to transact the following business:

ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Statement of Profit and Loss for the financial year ended on 31st March, 2018 and the Audited Balance Sheet as at that date together with the Cash Flow Statement, Reports of the Board of Directors and Auditors thereon.

SPECIAL BUSINESS:

- To appoint/confirm Mr. Deepak Anant Pednekar (DIN: 07639771) as an Independent Director at the ensuing Annual General Meeting and in this regard to consider and if thought fit to pass following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and such other applicable provisions, if any, read with Schedule IV of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, Mr. Deepak Anant Pednekar (DIN: 07639771), who was appointed as an Additional Director (Independent) of the Company by the Board of Directors of the Company at their meeting held on 25th January, 2018 and who holds the office of Director upto the date of this Annual General Meeting and in respect of whom the Company has received a notice from a member under Section 160 of the Act, signifying its intention to propose the candidature of Mr. Deepak Anant Pednekar for the office of Director of the Company, be and is hereby confirmed/appointed as an Independent Director to hold office for a term of five consecutive years from 25th January, 2018, not liable to retire by rotation."

For **VALUE INDUSTRIES LIMITED**
(A Company under Corporate Insolvency
Resolution Process by NCLT order
dated 05th September, 2018)

DUSHYANT C. DAVE
RESOLUTION PROFESSIONAL

(RP Registration Number IIBBI/IPA-003/IP-P00061/20L7-18/10502)

Place: Mumbai

Date: 28th November, 2018

Registered Office:

14 K.M. Stone, Aurangabad-Paithan Road,

Village: Chittegaon, Taluka: Paithan,

District: Aurangabad – 431 105 (Maharashtra)

CIN: L99999MH1988PLC046445

E-mail id: secretarial_value@videoconmail.com

Website: www.valueind.in

Tel.No.: +91-2431-251555/ 661471

Fax. No.: +91-2431-251571

NOTES:

- 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 and Secretarial Standard 2 issued by The Institute of Company Secretaries of India, a statement setting out the material facts concerning special business to be transacted at the Meeting is annexed and forms part of this Notice.
- Copies of the Notice of 30th Annual General Meeting together with the Annual Report are being sent by electronic mode to all the Members whose email addresses are registered with the Company/Depository Participant(s) and for Members who have not registered their email addresses, physical copies of the Annual Report are being sent by the permitted mode, to those Members who hold shares in physical form and whose names appear in the Company's Register of Members on Friday, 16th November, 2018 and as regards shares held in the electronic form, to those beneficial owners of the shares as at the close of business hours on Friday, 16th November, 2018 as per the particulars of beneficial owners furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Upon request, printed copy of Annual Report will be supplied to those Members to whom Annual Report has been sent through Electronic Mode.
- Corporate Members intending to send their Authorised Representative(s) to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing such representative(s) to attend and vote on their behalf at the Meeting.
- 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.
- 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.
- Details under Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard II issued by the Institute of Company Secretaries of India in respect of Director(s) seeking appointment at this Annual General Meeting is appended to the Notice.
- The Register of Members and Share Transfer Books shall remain closed from Friday, 21st December, 2018 to Friday, 28th December, 2018 (both days inclusive) for the purpose of the Meeting.
- Members, who hold shares in dematerialized form, are requested to write their Client ID and Depository Participant ID and those who hold shares in physical form are requested to write their Folio Number on the Attendance Slip and bring their Attendance Slip, as enclosed, along with their copy of Annual Report to the Meeting.
- The business set out in this Notice is also being conducted through e-voting. Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer the remote e-voting facility to the Members to cast their votes electronically on all resolutions set forth in this Notice as an alternate for physically casting the vote at the meeting. The detailed instructions for remote e-voting are given hereinafter. Please note that the Voting through

Electronic Mode is optional. For this purpose the Company has entered into an agreement with CDSL for facilitating e-voting to enable the shareholders to cast their votes electronically. The Company is also providing facility for voting by Ballot at the Meeting apart from providing remote e-voting facility for all those Members who are present at the Meeting but have not casted their votes by availing the remote e-voting facility.

11. The remote e- voting facility shall be opened from Tuesday, 25thDecember, 2018 at 9.00 a.m. to Thursday, 27th December, 2018 till 5.00 p.m. both days inclusive. Detailed instructions of Voting through Electronic Mode, forms part of this Notice. The remote e-voting facility shall not be allowed beyond 5.00 p.m. on Thursday, 27th December, 2018. During the period when facility for remote e-voting is provided, the members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date/ entitlement date, may opt for remote e-voting. Provided that once the vote on a resolution is casted by the member, he shall not be allowed to change it subsequently or cast the vote again.

The Notice of the Meeting is being placed on the website of the Company viz., www.valueind.in and also on the website of CDSL viz., www.cdslindia.com.

12. Mr. Sagar Ramrao Dev, Company Secretary in Whole-Time Practice (CP No. 11547) or failing him Mr. Soumitra B. Mujumdar, Company Secretary in Whole-Time Practice (CP No. 30938), 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.

The Scrutinizer shall, immediately after the conclusion of voting at the Meeting, first count the votes casted by Ballot at the Meeting, thereafter unblock the votes casted through remote e-voting in the manner provided in the Rules and make, not later than 3 days of conclusion of the Meeting, consolidated Scrutinizer's Report of remote e-voting and voting by Ballot at the Meeting, of the total votes casted in favour or against, if any, to the Chairman of the Meeting and the Chairman or a person as may be authorized by him in writing shall declare the result of the voting forthwith and all the resolutions as mentioned in the Notice of the Meeting shall be deemed to be passed on the date of the Meeting. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.valueind.in and on the website of CDSL at www.cdslindia.com, immediately after the results are declared by the Chairman.

13. The resolutions placed for e-voting shall be deemed to be passed on the date of the Annual General Meeting of Members scheduled to be held on Friday, 28th December, 2018.
14. The Company has fixed Friday, 21st December, 2018 as the cut-off date/ entitlement date for identifying the Shareholders for determining the eligibility to vote by electronic means or in the Meeting by Ballot. Instructions for exercising voting rights by remote e-voting are attached herewith and forms part of this Notice. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off/ entitlement date only shall be entitled to avail the facility of remote e-voting as well as voting at the Annual General Meeting.

Any person who becomes a member of the Company after the date of this Notice of the Meeting and holding shares as on the cut-off date i.e. Friday, 21stDecember, 2018 may obtain the User ID and Password by sending an email request to secretarial_value@videoconmail.com. Members may also call on +91 22 6611 3660 or send a request to the Company at Value Industries Limited at 171-C, Mittal Court, 'C' Wing, Nariman Point, Mumbai – 400 021 (Maharashtra).

15. The Voting Rights will be reckoned on the paid-up value of shares registered in the name of Shareholders on the cut-off date/entitlement date for identifying the Shareholders entitled to participate through Voting through Electronic Mode or in the Meeting by Ballot.

The Company has transferred the unclaimed dividend upto the financial year 2008-2009 to the Investor Education and Protection Fund (IEPF). Further, the Company is in process of transferring the unclaimed dividend for the financial year 2009-10 to IEPF established by the Central Government. Dividend for the financial year ended 2009-10 and thereafter, which remain

unclaimed for a period of seven years will be transferred to the IEPF. Members who have not encashed dividend warrant(s)/instrument(s) for the said years are requested to contact M/s. MCS Share Transfer Agent Limited, Registrar and Share Transfer Agent of the Company, for seeking issue of duplicate warrant(s). Members are requested to note that upon transfer, no claims shall lie against the Company or the IEPF in respect of any amounts which remained unclaimed and unpaid for a period of seven years from the dates they first became due for payment and no payment shall be made in respect of any such claims. The details of the unclaimed dividend of the aforesaid years are available on the Company's website www.valueind.in and Ministry of Corporate Affairs at www.mca.gov.in.

16. Members who hold shares in physical form, under multiple folios, in identical names or joint accounts in the same order or names, are requested to send the share certificates to M/s. MCS Share Transfer Agent Limited, Registrar and Transfer Agent of the Company, for consolidation into a single folio.
 17. Members holding shares in physical form are requested to kindly notify any change in their address(es) to the Company, so as to enable the Company to address future communications to their correct address(es). Members holding shares in electronic form are requested to notify any change in their address(es) to their respective Depository Participant(s).
 18. Securities and Exchange Board of India vide circular No. SEBI/HO/MIRSD/ DOP1/CIR/P/2018/73 dated April 20, 2018, inter-alia, mandated all the Registrar and Share Transfer Agents and all the Listed companies to collect copy of permanent account number and bank details and update KYC of all the security holders holding security in physical form. Hence, all the members are requested to update the information by filing up the form attached with this report and send all the supporting documents to MCS Share Transfer Agents Limited (Registrar and Transfer Agent) of the Company by writing them at A-209, C-Wing, 2nd Floor, Gokul Industrial Estate Building, Sagbaug, Marol Co-op Industrial Area, Behind Times Square, Andheri East, Mumbai – 400 059. Tel 022-4020 6022 – 40206025, Fax 022- 4020 6021 and Email Id: mcssta.mumbai@gmail.com.
 19. Non-Resident Indian Members are requested to inform M/s. MCS Share Transfer Agent Limited, the Registrar and Share Transfer Agent of the Company, immediately of change in their residential status on return to India for permanent settlement together with the particulars of their Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank with Pin Code Number, if not furnished earlier.
 20. The equity shares of the Company are compulsorily tradable in electronic form and your Company has established connectivity with both the depositories i.e. NSDL and CDSL. Taking into consideration the enormous advantages offered by the Depository System, Members are requested to avail the facility of dematerialization of the Company's shares on either of the depositories, as aforesaid.
- The Annual Report of the Company as circulated to the Members of the Company will be made available on the Company's website at www.valueind.in.
21. The relevant documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company on all working days between 12.00 noon to 3.00 p.m. upto the date of the Meeting.
 22. Members desiring any information as regards to the Financial Statements/ Directors' Report are requested to write to the Company at an early date so as to enable the Management to reply at the Meeting.
 23. Members may address their queries/ communications at secretarial_value@videoconmail.com.
 24. Members are requested to kindly bring their copy of the Annual Report to the Meeting.
 25. The route map of the venue of the Meeting is given at the end of the Notice.
 26. **Green Initiative:** Securities & Exchange Board of India as well as the Ministry of Corporate affairs encourages paperless communication as a contribution to greener environment. E-mail communications to the shareholders will result in multiple benefits as under:-

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

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

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

Remote e-Voting Instructions:

The instructions for shareholders voting electronically are as under:

- (i) In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.
- (ii) The voting period begins on Tuesday, 25th December, 2018 at 9.00 a.m. to Thursday, 27th December, 2018 till 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, 21st December, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders / Members
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

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 and voted on an earlier voting of any company, then your existing password is to be used.

- (v) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • 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 Chandra Shekhar with sequence number 1 then enter CA00000001 in the PAN field.

Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your dematerialized account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).
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- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in dematerialised 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 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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the changed 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) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xvii) 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 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.

After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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, under help section or write an email to helpdesk.evoting@cdslindia.com.

Any person who becomes a member of the Company after the date of this Notice of the Meeting and holding shares as on the cut-off date i.e. Friday, 21st December, 2018 may obtain the User ID and Password by sending an email request to the Company at secretarial_value@videoconmail.com. Members may also call on +91 22 6611 3660 or send a request to the Company by writing at Value Industries Limited at 171-C, Mittal Court, 'C' Wing, Nariman Point, Mumbai – 400 021 (Maharashtra).

For **VALUE INDUSTRIES LIMITED**
(A Company under Corporate Insolvency
Resolution Process by NCLT order
dated 05th September, 2018)

DUSHYANT C. DAVE
RESOLUTION PROFESSIONAL

(RP Registration Number IIBBI/IPA-003/IP-P00061/20L7-18/10502)

Place: Mumbai

Date: 28th November, 2018

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

Item No. 3:

Mr. Deepak Anant Pednekar (DIN: 07639771) was appointed as Non-Executive Independent Director, pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In terms of the provisions of Section 149 and other applicable provisions of the Companies Act, 2013, read with the Rules made thereunder, therefore, with a view to comply with the new requirements of the provisions of Section 149 of the Companies Act, 2013 pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors thought it fit to appoint Mr. Deepak Anant Pednekar as an Independent Director for a period of five years. Accordingly, the Board of Directors of the Company at its meeting held on 25th January, 2018, have made to continue appointment of Mr. Deepak Anant Pednekar as an Independent Director to hold office upto a term of five consecutive years from 25th January, 2018, not liable to retire by rotation.

The Company has received from Mr. Deepak Anant Pednekar (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 & Qualifications 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. Deepak Anant Pednekar for the office of Director of the Company.

The Board seeks the approval of the Members of the Company to confirm/appoint Mr. Deepak Anant Pednekar, as an Independent Director of the Company for five consecutive years from 25th January, 2018, 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. Deepak Anant Pednekar, seeking appointment at the ensuing Annual General Meeting under Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, is appended to the Notice.

In the opinion of the Board of Directors, Mr. Deepak Anant Pednekar, the Independent Director, fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder and he is independent of the Management.

All the relevant documents in connection with the appointment of Mr. Deepak Anant Pednekar, is available for inspection without any fee by the Members at the Company's Registered Office during normal business hours on working days upto the date of 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. Deepak Anant Pednekar, as an Independent Director.

No Director, Key Managerial Personnel or their relatives, except Mr. Deepak Anant Pednekar, to whom the resolution relates, is interested or concerned in the resolution. The Board recommends the resolution set forth in item no. 3 for the approval of the Members.

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

<i>Particulars</i>	<i>Profile of the Director</i>
Name of the Director	Mr. Deepak Anant Pednekar
DIN	07639771
Date of Birth	05/03/1960
Educational Qualification	Graduate
Age (in years)	58
Date of appointment on the Board	25 th January, 2018
Category of the Director	Independent- Non Executive
Area of Expertise / Senior Position Held / Work Experience	He is having vast experience in diversified fields to his credit.
Terms and Conditions of Appointment or Re-appointment along with the details of remuneration sought to be paid	He is Non-Executive Independent Director. He shall not be liable to retire by rotation.
Remuneration last drawn, if applicable	Nil.
Details of Directorships in other Public Limited Companies (including subsidiaries of Public Company)	5
Names of the other Committees in which Chairman	Nil
Names of the other Committees in which Member	Audit Committee: VOVL Limited Techno Electronics Limited Instant Retail India Limited Videocon Developers Limited Nomination and Remuneration Committee: VOVL Limited Techno Electronics Limited Instant Retail India Limited Videocon Developers Limited
No. of shares held	Nil
Relationships between Directors, Key Managerial Personnel and Managers of the Company.	NA
Number of Board Meetings attended	One

ADDENDUM

Value Industries Limited (the "Company") is undergoing Corporate Insolvency Resolution Process ('CIRP') under the provisions of The Insolvency Bankruptcy Code, 2016 ('IBC') in term of order dated 5th September, 2018 passed by Hon'ble National Company Law Tribunal, Mumbai Bench('NCLT'), pursuant to an application filed by the State Bank of India under Section 7 of IBC.

By virtue of the same order, Hon'ble NCLT appointed Mr. Dushyant Dave (IP Registration No. IIBBI/IPA-003/IP-P00061/20L7-18/10502) as the Interim Resolution Professional. Subsequently, the Committee of Creditors (COC), which was formed pursuant to the provisions of IBC at its first meeting, held on 3rd October, 2018 appointed Mr. Dushyant Dave as the Resolution Professional. In accordance with the provisions of IBC, on commencement of CIRP, the powers of the Board of Directors of the Company stands suspended and are being exercised by the resolution professional. Further the powers of the board of directors including the powers of the directors proposed to be appointed shall continue to remain suspended during the CIRP under the provisions of the IBC code 2016.

Further, the COC meetings have been convened from time to time on various agenda, as per the provisions of IBC, and have been attended by the members of COC. The members of the board of directors have been invited to attend the COC Meetings.

The Resolution Professional, pursuant to the provisions of the IBC and the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations (CIRP Regulations), invited prospective resolution applicants to submit resolution plan for the Company. The basic eligibility criteria for the prospective resolution applicants was published in the All India edition of Business Standard and Maharashtra Edition of Loksatta dated 19th November 2018.

It is hereby informed that an application was moved under section 96 of Companies Act, 2013 with the Registrar of Companies for extension of time for holding Annual General Meeting by a period of 3 Months on the grounds of proposed Commencement of CIRP process and the Registrar of Companies approved extension for a period of 2 Months vide its order dated 14th September, 2018. After the appointment of Resolution Professional, a fresh application was filed by Resolution Professional under section 96 of Companies Act, 2013 with the Registrar of Companies for further extension of time for holding Annual General Meeting by a period of 1 Months beyond the 2 months extension granted by the Registrar of Companies, on the grounds that CIRP is undergoing and he has to achieve a number of milestones in a time-bound manner. Pursuant to such application, the Registrar of Companies, Mumbai, Maharashtra, vide its order dated 16th November, 2018 granted further extension of time for holding Annual General Meeting by a period of further 1 month i.e. upto 28th December, 2018, for holding Annual General Meeting for the Financial Year ended on 31st March, 2018.

Accordingly, RP has instructed the officials of the Company to convene the 30th Annual General meeting on Friday, 28th December, 2018 and issued the Notice of Annual General Meeting in terms of the resolution(s) passed by the Board of Directors prior to commencement of CIRP. The Annual General Meeting is being held within the extend time period.

For VALUE INDUSTRIES LIMITED

(A Company under Corporate Insolvency Resolution Process by NCLT order dated 05th September, 2018)

DUSHYANT C. DAVE

RESOLUTION PROFESSIONAL

(RP Registration Number IIBBI/IPA-003/IP-P00061/20L7-18/10502)

Dated: 28th November, 2018

Place: Mumbai

DIRECTORS' REPORT

Dear Shareholders,

The Directors are pleased to present the Thirtieth (30th) Annual Report together with the Audited Financial Statements and Auditors' Report for the financial year ended on 31st March, 2018.

PERFORMANCE REVIEW

The financial highlights for the year ended 31st March, 2018 and year ended 31st March, 2017, is summarized below:

(Rs. in Million)

Particulars	Financial Year ended 31 st March, 2018	Financial Year ended 31 st March, 2017
Revenue from Operations	2,525.17	11,846.20
Other Income	50.57	42.90
Total Income	2,575.74	11,889.10
Profit/(Loss) Before Finance Costs, Depreciation and Tax	(5,020.14)	830.90
Finance Costs	1,018.18	979.85
Depreciation and Amortization	842.74	724.03
Profit /(Loss) Before Tax	(6,881.06)	(872.98)
Tax (Deferred Tax)	(566.27)	(268.56)
Profit /(Loss) for the year	(6,314.79)	(604.42)

The financial year under review was marked by various challenges. The performance of the Company was impacted on various grounds inter-alia including decline in sales, huge finance cost, strains on the working capital and stiff competition.

CHANGE IN THE NATURE OF BUSINESS

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

DIVIDEND

In view of losses incurred, the Board of Directors do not recommend any dividend on shares for the year ended 31st March, 2018.

TRANSFER TO RESERVES

In view of losses incurred, the Board of Directors does not proposes to transfer any amount to reserve.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

The Company is in process of transferring unpaid /unclaimed dividend for the Financial Year 2009-10 to the Investor Education and Protection Fund.

DEPOSITS

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

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

After the balance sheet date, a petition was filed on 4th April, 2018 by State Bank of India under Section 7 of the Insolvency and Bankruptcy Code, 2016. The said petition is pending before the Hon'ble National Company Law Tribunal, Mumbai Bench, Mumbai.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of loans, guarantees given and investments made during the year as required are provided in Notes 4 and 38 of the Financial Statements.

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

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

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

The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's weblink at:

<http://www.valueind.in/image/value/Value%20Related%20Party%20Transaction%20Policy.pdf>

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

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

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Personnel and their remuneration.

The Company has in place the Nomination and Remuneration Committee. The Company has further formulated the Nomination and Remuneration Policy on directors' appointment and remuneration including the criteria for determining qualifications, positive attributes and independence of directors. Further, the changes pertaining to the Nomination and Remuneration Policy during the financial year ended March 31, 2018 forms part of the Corporate Governance Report.

EMPLOYEES REMUNERATION

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the Boards' Report shall include a statement showing the names of top ten employees as prescribed under the said Rules. The information as per Rule 5(2), forms part of this Report. However, as per first proviso to section 136(1) of the Act and second proviso of Rule 5 of the Rules, the Report and Financial Statements are being sent to the

Members of the Company excluding the statement of particulars of employees under Rule 5 (1) and 5(2) of the Rules. Any Member interested in obtaining a copy of the said statement may write to the Company at the Registered Office of the Company.

CONSERVATION OF ENERGY

The Company continues to strive for sustainable consumption of natural resources. As you are aware, novel concept nomenclature as “Resource Productivity” was coined by the management of your Company as a golden means to attain optimum utilization of available resources, especially renewable resources. Implementation of the said concept has led to improvement in over-all efficiency. Accordingly, the Company continued its implementation in the year under review as well. The same was implemented at all the manufacturing facilities. The manufacturing facilities of the Company are equipped with hi-tech energy monitoring and conservation systems to monitor usage, minimize wastage and increase overall efficiency at every stage of power consumption. Some of the measures being undertaken by the Company in its endeavor to conserve energy are listed hereunder:

- Improving system power factor by various means inter-alia including installation of capacitors;
- Reduction of maximum demand and restricting the maximum demand to billing demand;
- Monitoring of energy consumption and further requisite follow-up;
- Use of unconventional energy sources like solar energy in the form of solar water heater plant;
- Timely maintenance of machinery and equipments;
- Optimum utilization of high energy consuming electrical equipments like winding machines;
- Air-compressor pressure is maintained at reduced pressure with fixed timing and air leakages arrested;
- Installation of capacitor panels;
- Energy audits at the manufacturing facility;
- Display of Notice Boards and Information Boards at all work stations for information and awareness of the employees;
- Awareness programmes towards optimum utilization of natural resources; and
- Plantation of trees at all the manufacturing units.

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

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

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

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

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

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

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

- i. In Direct Cool refrigerators, the BEE energy norms were upgraded further.
- ii. Various cost innovation projects are taken up to reduce cost and improve profitability in all categories of products
- iii. Upgraded various electrical parts from safety and add-on features point of view for entire range of refrigerators.
- iv. Revamped range of Digi Pearl series washing machines with additional features such as lesser water consumption, high performance, multiple wash selection option, vibrant colours etc.,
- v. Further Improved Digi Garcia series of Fully Automatic Washing Machines with aesthetically superior looks, water saver function, multiple wash selection option, lesser water consumption and higher performance.
- vi. Changes in the Product cooling system and upgraded Electrical parts from safety point of view for the Entire range of Direct cool refrigerators.
- vii. Introduction of New range of PCM/VCM in the direct cool refrigerators with up-gradation of looks in line the current market trend.

Future plan of action:

The Company continues to focus on environmental and customer friendly products. The Company has following plans through Research and Development:

- Upgradation of existing technology.
- Introduction of new range of front loading, top loading, fully automatic and semi-automatic and semi-automatic washing machines which are convenient for use.
- Cost Innovation projects through new design and ideas.
- Applying research and value engineering.

During the period under review, the Company has incurred Rs. 2.50 Million representing 0.10% of the turnover towards recurring R & D expenses.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars of Foreign Exchange Earnings and Outgo during the financial period ended on 31st March, 2018 are set out hereunder:

(Rs. in Million)

Particulars	Year ended 31 st March, 2018	Period ended 31 st March, 2017
Foreign Exchange Earnings	-	58.49
Foreign Exchange Outgo	318.89	1,297.15

RISK MANAGEMENT POLICY OF THE COMPANY

Taking risks is an inherent part of entrepreneurial behavior and well-structured risk management allows management to take risks in a controlled manner and the Company has developed and implemented a Risk Management Policy Risk Management Committee which has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's enterprise wide risk management framework; and (b) Overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks. The Risk Management Policy was reviewed and approved by the Committee constituted by the Board of Directors of the Company.

The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives.

The Company has introduced several improvements to Integrated Enterprise Risk Management, Internal Controls Management and Assurance Frameworks and processes to drive a common integrated view of risks, optimal risk mitigation responses and efficient management of internal control and assurance activities.

CORPORATE SOCIAL RESPONSIBILITY POLICY

As per Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, every company having network of Rs. 500 Crore or more or turnover of Rs. 1,000 Crore or more or net profit of Rs. 5 Crore or more during any financial year shall ensure that it spends, in every financial year, atleast 2 (Two) percent of the average net profits made during three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

The Company has formed a Corporate Social Responsibility Committee in terms of provisions of Section 135 of the Companies Act, 2013 and rules made thereunder. The scope and composition of the Committee forms part of Corporate Governance Report.

However, the Company is not required to provide / spend any amount under its Corporate Social Responsibility policy as it has incurred losses in its three immediately preceding financial years.

HEALTH, SAFETY AND ENVIRONMENT MEASURES

The management of your Company believes that the employees are the heart and soul of the organization and hence, considers health and safety of its employees as its prime responsibility. The health and safety platform of your Company is well supported by the safety management team which comprises of employee and management representatives. The management believes in the motto "Safety of persons overrides all Production targets".

The team studies a plethora of health, safety and environment related issues at manufacturing plants and reports the observations along with requisite correctives measures, if any, to the management for necessary action.

The Company continues to adopt the following health and safety initiatives:

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

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

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

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

INFORMATION TECHNOLOGY

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

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013, and the Rules made thereunder for prevention and redressal of complaints of sexual harassment at workplace. All women associate (permanent, temporary, contractual and trainees) as well as any women visiting the Company's office premises or women service providers are covered under this Policy. During the period under review, the Company did not receive any complaint.

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

During the year under review, Mr. Avinash Malpani resigned from the office of Director w.e.f. 1st July, 2017.

At the previous Annual General Meeting held on 29th September, 2017, Mrs. Gayathri R. Girish (DIN: 07145426), was re-appointed as Non Executive Director (Professional), liable to retire by rotation, pursuant to the provisions of second proviso to Section 149(1) of the Companies Act, 2013 and the Rules made thereunder and in terms of the Articles of Association of the Company. Subsequently, she has resigned from the office of Director w.e.f. 25th January, 2018. The Board takes this opportunity and places on record its sincere appreciation for the services rendered by Mr. Avinash Malpani and Mrs. Gayathri R. Girish, during their tenure as Directors of the Company.

In terms of provisions of Section 149, 160 and 161 of the Act and pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, the Board thought it to fit to appoint Mr. Deepak A. Pednekar (DIN: 07639771) as an Independent Director for a period of five years. Accordingly, the Board of the Directors of the Company at its meeting of Board of Directors held on 25th January, 2018 have approved and made to continue appointment of Mr. Deepak A. Pednekar as Independent Director to hold office upto a term of five consecutive years from 25th January, 2018, not liable to retire by rotation.

The Company has received from Mr. Deepak Anant Pednekar (I) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualifications of Directors) Rules, 2014, (2) intimation in Form DIR-8 in terms of Companies (Appointment & Qualifications 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 from a member under Section 160 of the Companies Act, 2013, signifying its intention to propose candidature of Mr. Deepak Anant Pednekar for the office of Director of the Company.

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

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. Deepak A. Pednekar as Independent Directors and accordingly recommend their appointment/confirmation.

Details of Key Managerial Personnel:

Mr. Sumit Mishra, Company Secretary and Compliance Officer of the Company, resigned from the Company with effect from 25th January, 2018. The Company is in process of identifying the suitable candidate.

DECLARATION GIVEN BY INDEPENDENT DIRECTORS

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

NUMBER OF MEETINGS OF THE BOARD HELD DURING THE YEAR

During the financial period under review, the Board met 6 times. The details regarding the attendance and the date of Board Meetings are provided in the Corporate Governance Report.

COMMITTEES OF THE BOARD

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

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

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

FORMAL ANNUAL EVALUATION

During the period under review, pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee adopted a formal mechanism for evaluating the performance of the Board of Directors as well as that of its Committees and individuals Directors, including Key Management Personnel/Senior Management etc. The exercise was carried out through an evaluation process covering aspects such as composition of the Board, experience, competencies, governance issues etc.

VIGIL MECHANISM

The Company has formulated a Whistle Blower Policy, where in the Employees / Directors / Stakeholders of the Company are free to report any unethical or improper activity, actual or suspected fraud or violation of the Company's Code of Conduct. The policy provides for a mechanism to report such concerns to the Audit

Committee through specified channels. This mechanism provides safeguards against victimisation of Employees, who report under the said mechanism. The Whistle Blower Policy complies with the requirements of Vigil Mechanism as stipulated under Section 177 of the Companies Act, 2013.

During the year under review, the Company has not received any complaints under the said mechanism. The Whistle Blower Policy of the Company has been displayed on the Company's website at the link:

<http://www.valueind.in/image/value/value%vigil%20mechanism%.pdf>

LISTING

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

CORPORATE GOVERNANCE

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

CASH FLOW STATEMENT

The Cash Flow Statement for the period ended 31st March, 2018, in conformity with the provisions of Companies Act, 2013 and Listing Regulations, is annexed hereto.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

AUDITORS AND THEIR REPORTS

1. STATUTORY AUDITORS AND AUDIT REPORT:

In terms of the provisions of Section 139 of the Companies Act, 2013 read with the Rules made there under, the Company had, on 29th September, 2017, appointed M/s. S. Z. Deshmukh & Co., Chartered Accountants, Mumbai (Firm Registration No. 102380W) as the Statutory Auditors of the Company for a period of 5 years from the conclusion of 29th Annual General Meeting until the conclusion of 34th Annual General Meeting.

The first proviso to Section 139 of the Companies Act, 2013 regarding placing the matter relating to appointment for ratification of Auditors by members at every annual general meeting and the provisions of Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014, have been omitted by the Companies (Amendment) Act, 2017 and the Companies (audit and Auditors) Second Amendment Rules, 2018, respectively w.e.f. 7th May, 2018. As such the Company is not required to ratify the appointment of Auditors at the ensuing Annual General Meeting.

M/s. S. Z. Deshmukh & Co., Chartered Accountants, Mumbai (Firm Registration No. 102380W), have confirmed their eligibility in terms of the provisions of Section 141 of the Companies Act, 2013 and Rule 4 of Companies (Audit and Auditors) Rules, 2014.

AUDIT REPORT:

The Statutory Auditor of the Company have submitted Auditors' Report, which has a qualification in respect of going concern. The Auditors raised doubts on the ability of the Company to continue as "Going Concern".

The explanation of the management is as under:

During the year, the Company has incurred a net loss of Rs. 6,314.79 Million and as of that date the Company's accumulated losses amounts to Rs. 5,951.94 Million and it has negative net worth of Rs. 2,555.44 Million. Further, the Company has been referred to National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 as amended, and there are persistent severe strains on the working capital and there is considerable

decline in level of operations of the Company. These factors raise significant doubts on the ability of the Company to continue as a "Going Concern". The management has assumed that the going concern concept stands vitiated and is in the process of ascertaining the liquidation value of the assets. The necessary adjustments required on the carrying amount of assets and liabilities have not been ascertained and the impact thereof on the financial statements is not ascertainable at this stage.

Emphasis of Matter in Financial Statements

The Auditors of the Company has given emphasis of the matter in the Ind AS Standard Financial Statements as follows:

The balance confirmations and reconciliation have not been received in respect of certain secured and unsecured loans, balances with banks, trade receivables, trade and other payables and loans and advances. In the opinion of the management, there will not be any material impact on the financial statements. Our opinion is not modified in respect of above matters

The confirmations and reconciliation of balances of certain secured and unsecured loans, balances with banks, trade receivables, trade and other payables and loans and advances are pending. The management is in the process of obtaining confirmations and reconciliation of balances. In the opinion of the management, there will not be any material impact on the standalone Ind AS financial statements.

2. COST AUDITOR AND COST AUDIT REPORT:

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014 and amendments made thereto; from time to time, the Board of Directors of the Company are required to appoint Cost Auditor, to conduct audit of Cost Accounting Records maintained by the Company for the financial year commencing on 1st April, 2018 and ending on 31st March, 2019 in respect of products covered under 'Other Machinery'. The Board of Directors are in process of appointment of Cost Auditor the same shall be complied with in due course.

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, the Cost Audit Report for the financial year ended on 31st March, 2017 was required to be submitted within 30 days from 27th September, 2017. However, the said report was submitted on 9th November, 2017. The delay was on account of technical difficulties.

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 due date for filing the Cost Audit Report for the financial year ended on 31st March, 2018 is 27th September 2018 and the Company is hopeful of filing the same on or before due date.

3. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT:

The Board had appointed Mr. Soumitra B. Mujumdar, Company Secretary in Whole-time Practice, to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial period ended on 31st March, 2018. The report of the Secretarial Auditor is annexed to this report as Annexure 1. In connection, with the auditor's observation in the report, it is clarified that the Company is in process of identifying the suitable candidate for the post of KMPs viz., Chief Executive Officer, Chief Financial Officer and Company Secretary. Further, the Company is in process of filing the Return of Foreign Assets and Liabilities for the Financial Period ended 31st March, 2018 with the Reserve Bank of India. The delay in filing and non-filing of some of the e-Forms with the Registrar of Companies during the Audit Period was on account of technical difficulties/accidental omission and the same in respect to the delay in compliance with the SEBI LODR was on account of operational difficulties. Furthermore, the Company is also in process of appointment of a Women Director on the Board.

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

There is no fraud/misconduct detected at the time of statutory audit by Auditors of the Company for the financial period ended on 31st March, 2018.

ANNUAL RETURN:

The Annual Return pursuant to the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, is placed on the website of the Company at the link <http://www.valueind.in/relationsservice.aspx?Sel=Others>

ORDERS PASSED BY REGULATORS/COURTS/ TRIBUNALS

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

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

DIRECTOR RESPONSIBILITY STATEMENT

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

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

ACKNOWLEDGEMENT

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

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

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

NAVEEN B. MANDHANA
DIRECTOR
DIN: 01222013

BHUVANG S. KAKADE
DIRECTOR
DIN: 06383819

Place: Mumbai
Date: 17th August, 2018

ANNEXURE - 1

SECRETARIAL AUDIT REPORT

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year from 1st April, 2017 to 31st March, 2018 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

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

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

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

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

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

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

- i. During the year under review, the Company Secretary of the Company has resigned from the Company. The Company has not yet appointed the Company Secretary. The Company has also not appointed any other Key Managerial Personnel under the provisions of Section 203 of the Act and Rules made thereunder.
- ii. As per Section III (Annexure 6) (Para 2.2d) of the Foreign Direct Investment Policy, the return of Foreign Assets and Liabilities for the Audit Period and previous period has not been filed for the Company with the Reserve Bank of India.
- iii. *The Company has not filed Form MGT-14 in respect of certain resolutions.*
- iv. *The Company has delayed filing of Form CRA-2 (Notice of Appointment of Cost Auditor) for the financial 2017-2018 with Central Government beyond 30 days of Board meeting in which appointment is made.*
- v. *During the year under review the company has transferred unclaimed dividend of Rs.1.98 Million for the financial year 2008-09 to investor education and protection fund. However, the company has not filed Form IEPF 1 with the IEPF Authority.*
- vi. *The Company was required to file IEPF 2 within 90 days from the date Annual General Meeting (September 29, 2017) in terms of (Accounting, Audit, Transfer and Refund) Rules, 2016. However, the company has not filed Form IEPF 2 with the IEPF Authority.*
- vii. *The Woman director appointed by the company ceased to director of the Company w.e.f. 25th January, 2018. The Company has not appointed woman director upto 31st March, 2018.*

Under Securities Exchange Board of India Act, 1992 and various regulation stated thereunder:

- i. As prescribed under Regulation 33 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulation, 2015 the company has delayed the submission of the un-audited financial results along with the limited reviews report with the Stock Exchanges for certain quarters.

I further report that:

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- ii. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- iii. All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

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

- Mr. Sumit Mishra ceased to be the Company Secretary and Compliance Officer of the Company with effect from 25th January, 2018.

CS Soumitra Mujumdar

ACS 30938

CP 12363

Date: 17th August, 2018

Place: Mumbai

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

ANNEXURE A

- To
The Members,
Value Industries Limited
14 K.M. Stone, Aurangabad Paithan Road,
Village Chittegaon, Taluka Paithan,
Aurangabad - 431105
Maharashtra
- My secretarial audit report of even date is to be read along with this letter.
- Maintenance of secretarial and other records is the responsibility of the management of the Company. My responsibility is to express an opinion on these records based on my audit.
- i. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
 - ii. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
 - iii. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of certain events during the Audit Period.
 - iv. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis and expressing an opinion on the same.

CS Soumitra Mujumdar
ACS 30938
CP 12363

Date: 17th August, 2018
Place: Mumbai

ANNEXURE B

1. Factories Act, 1948
2. Industrial Disputes Act, 1947
3. The Payment of Wages Act, 1936
4. The Minimum Wages Act, 1948
5. Employees State Insurance Act, 1948
6. The Employees Provident Funds and Miscellaneous Provisions Act, 1952
7. The Payment of Bonus Act, 1965
8. The Payment of Gratuity Act, 1972
9. The Contract Labour (Regulation & Abolition) Act, 1970
10. The Maternity Benefit Act, 1961
11. The Child Labour (Prohibition & Regulation) Act, 1986
12. The Industrial Employment (Standing Orders) Act, 1946
13. The Employees Compensation Act, 1923
14. The Apprentices Act, 1961
15. Equal Remuneration Act, 1976
16. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
17. Water (Prevention and Control of Pollution) Act, 1974
18. Air (Prevention and Control of Pollution) Act, 1981
19. Environment Protection Act, 1986
20. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
21. E-Waste Management & Handling Rules, 2016

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE REPORT

In compliance with, Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Regulations"), the Board of Directors takes pleasure in presenting the Corporate Governance Report for the year 2017-18.

The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

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

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

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

BOARD OF DIRECTORS

Composition of the Board of Directors as on 31st March, 2018:

The Board comprises of 3 (three) Non – Executive Independent Directors, viz., Mr. Bhujang S. Kakade, Mr. Naveen B. Mandhana and Mr. Deepak Pednekar. The Board members are the persons having vast experience in the fields of Finance, Taxation, Management, Administration, Manufacturing and Marketing. None of the directors have any inter-se relations among themselves or with any employee of the Company.

Proceedings of Board and Committee Meetings:

The Board is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with the requisite powers, authorities and duties. The Board reviews and approves management's strategic business plan & business objectives and monitors the Company's strategic direction. The Board's responsibilities further include overseeing the functioning of the Company's top management, monitoring legal compliance and management of the risks related to the Company's operations. The Board also observes strict adherence to ethical standards to ensure integrity,

transparency, independence and accountability in dealing with all stakeholders. The Board's actions and decisions are aligned with the Company's best interests.

In keeping with the commitment of the management for the principle of integrity and transparency in business operations for good corporate governance, the Company's policy is to maintain the independence of the Board and to separate the Board functions of governance and management.

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, Nomination and Remuneration Committee, Risk Management Committee, Corporate Social Responsibility Committee and Finance and General Affairs Committee.

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

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

- Any issue, which involves possible public or product liability claims of substantial nature including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company; and
 - Any other materially relevant information.
5. Draft minutes are being circulated to all the members of the Board and Committee for their comments. The Chairman of the meeting signs the minutes so circulated and approved by all the members.
6. The proceedings of the Board Meetings, General Meetings and Committee Meetings are duly recorded in Minutes book on timely basis.

The Board periodically reviews the compliance reports to ensure adherence to all applicable provisions of law, rules and guidelines as may be applicable to the Company and takes 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. All Directors and Senior Management Personnel have affirmed compliance with the code for the period ended 31st March, 2018. A declaration to this effect signed by the Head-Operations given below:

DECLARATION
The Board has laid down a code of conduct for all the Board Members and Senior Management which is posted on the website of the Company. The Board Members and Senior Management have affirmed Compliance with the code of conduct.
For VALUE INDUSTRIES LIMITED HEAD - OPERATIONS
Date: 17th August, 2018
Place: Mumbai

Meetings of the Board of Directors:

During the year under review, the Board met 6 (six) times on the following dates: 30th May, 2017, 1st July, 2017, 1st September, 2017, 14th November, 2017, 25th January, 2018 and 14th February, 2018. 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 29th September, 2017	Attendance at the Board Meeting
Mr. Bhujang Kakade	Yes	6
Mr. Naveen Mandhana	No	6
Mr. Deepak Pednekar*	N.A.	1
Mr. Avinash Malpani**	N.A.	0
Mrs. Gayathri R. Girish#	No	1

* Appointed w.e.f. 25/01/2018

** Resigned w.e.f. 01/07/2017

Resigned w.e.f. 25/01/2018

The Directors do not hold any shares in the Company.

Number of other Boards or Board Committees in which a Director is a member or chairperson as on 31.03.2018:

Name of the Director	Other Directorships		
	Directorship @	Committee Chairmanship#	Committee Membership#
Mr. Bhujang Kakade	1	0	0
Mr. Naveen Mandhana	1	1	0
Mr. Deepak Pednekar	5	0	4

Note:

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

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

Independent Directors Meeting:

One separate meeting of the Independent Directors was held on 14th February, 2018, which was attended by all the Independent Directors.

COMMITTEES OF THE BOARD OF DIRECTORS

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

Mandatory Committees:

- Audit Committee
- Stakeholders' Relationship Committee
- Nomination and Remuneration Committee
- Risk Management Committee
- Corporate Social Responsibility Committee (Mandatory as per Companies Act, 2013)

Non-Mandatory Committees

- Finance and General Affairs Committee

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

Audit Committee:

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

Composition as on 31st March, 2018, Meetings and Attendances:

The composition of the Audit Committee satisfies the requirements of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, the Committee was reconstituted on 1st July, 2017. Mr. Avinash Malpani ceased to be member of the Audit Committee consequent to resignation from the Board of Directors of the Company. Mrs. Gayathri R. Girish was appointed as Member of the Committee w.e.f. 1st July, 2017. The Audit Committee was further reconstituted on 25th January, 2018. Mrs. Gayathri R. Girish ceased to be member of the Audit Committee consequent to resignation from the Board of Directors of the Company. Mr.

Deepak A. Pednekar was appointed as Member of the Committee w.e.f. 25th January, 2018.

During the year under review, the Committee met 6 (six) times on the following dates: 30th May, 2017, 1st July 2017, 1st September, 2017, 14th November, 2017, 25th January, 2018 and 14th February, 2018.

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

Name of the Director	Designation	Category	No. of Meetings Attended
Mr. Bhujang Kakade	Chairman	Independent	6
Mr. Naveen Mandhana	Member	Independent	6
Mr. Deepak Pednekar*	Member	Independent	1
Mr. Avinash Malpani**	Member	Independent	0
Mrs. Gayathri R. Girish#	Member	Non – Executive	1

* Appointed w.e.f. 25/01/2018

** Resigned w.e.f. 01/07/2017

Resigned w.e.f. 25/01/2018

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

Terms of reference and scope of the Committee:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees and also approval for payment for any other services rendered by the Auditors.
- Reviewing and monitoring the Auditor's Independence and performance, and effectiveness of audit process.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required for inclusion in the Directors' Responsibility Statement, which is included in the Board's report in terms of Section 134(3) of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Modified opinion(s) in the draft audit report;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - The going concern assumption;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions;
 - Observations and Qualifications in the draft audit report; and
 - Review of related party transactions.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, the statement of uses / application of

funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency which monitors the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

- Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors about any significant findings and follow-up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment if any, to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Powers of the Audit Committee includes:

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

Review of information by Audit Committee:

The Audit Committee mandatorily reviews the following information:

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

Whistle Blower Policy & Vigil Mechanism:

The Board has adopted a Whistle Blower Policy to promote reporting of any unethical or improper practice or violation of the Company's Code of Conduct or complaints regarding its accounting, auditing, internal controls or disclosure practices. It gives a platform to the whistle blower to report any unethical or improper practice (not necessarily violation of law) and to define processes for receiving and investigating complaints. The confidentiality of those reporting

violations is maintained and they are not subjected to any discriminatory practice. More details are available on website- www.valueind.in.

Stakeholder’s Relationship Committee:

During the year under review, the Committee was duly reconstituted. Mr. Avinash Malpani ceased to be member of the Stakeholder’s Relationship Committee consequent to resignation from the Board of Directors of the Company. Mrs. Gayathri R. Girish was appointed as Member of the Committee w.e.f. 1st July, 2017. The Stakeholder’s Relationship Committee was further reconstituted on 25th January, 2018. Mrs. Gayathri R. Girish ceased to be member of the Committee consequent to resignation from the Board of Directors of the Company. Mr. Deepak A. Pednekar was appointed as Member of the Committee w.e.f. 25th January, 2018.

The Committee met 2 (Two) times on the following dates: 30th May, 2017 and 1st July, 2017.

Composition as on 31st March, 2018, Meetings and Attendances:

Name of the Director	Designation	Category	No. of Meetings Attended
Mr. Bhujang Kakade	Chairman	Independent	2
Mr. Naveen Mandhana	Member	Independent	2
Mr. Deepak Pednekar*	Member	Independent	0
Mr. Avinash Malpani**	Member	Independent	0
Mrs. Gayathri R. Girish#	Member	Non – Executive	0

* Appointed w.e.f. 25/01/2018

** Resigned w.e.f. 01/07/2017

Resigned w.e.f. 25/01/2018

Compliance Officer:

Mr. Sumit Mishra, Company Secretary, was the Compliance Officer of the Company upto 25th January, 2018. The Company is looking for a suitable candidate for appointment as Company Secretary and Compliance Officer.

Terms of reference and Scope of the Committee:

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

Scope of the Committee:

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

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

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

Details of Share Transfer/ Demat/ Remat:

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

Particulars	Details
Number of Transfers	52
Number of Shares Transferred	7,536
Average No. of Transfers per Month	4.33
Number of Demat Requests approved	318
Number of Shares Dematerialized	44,995
Percentage of Shares Dematerialized	0.11
Number of Rematerialization Requests approved	0
Number of Shares Rematerialized	0
Number of Sub-committee Meetings held	46

During the period under review, the Company had received 77 complaints. All of the 77 complaints were redressed to the satisfaction of the shareholders.

Nomination and Remuneration Committee:

During the period under review, the Nomination and Remuneration Committee was duly reconstituted. The Committee was reconstituted on 25th January, 2018. Mrs. Gayathri R. Girish ceased to be member of the Committee consequent to resignation from the Board of Directors of the Company. Mr. Deepak A. Pednekar was appointed as Member of the Committee w.e.f. 25th January, 2018.

The Committee met 3 (three) times on 30th May, 2017, 1st July 2017 and 25th January, 2018.

Composition as on 31st March, 2018, Meetings and Attendances:

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

Name of the Director	Designation	Category	No. of Meetings Attended
Mr. Naveen Mandhana	Chairman	Independent	3
Mr. Bhujang Kakade	Member	Independent	3
Mrs. Gayathri Girish#	Member	Non- Executive	0
Mr. Deepak Pednekar*	Member	Independent	0

Resigned w.e.f. 25/01/2018

* Appointed w.e.f. 25/01/2018

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

Terms of reference and Scope of the Committee:

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of the director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and board of directors;
- Devising the policy on diversity of the board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal;
- Whether to extend or continue the term of appointment of independent director on the basis of the report of performance evaluation of independent directors;

- Fixing and reviewing the remuneration of the Chief Executives and other senior officers of the Company.
- Recommending the remuneration including the perquisite package of key management personnel;
- Determining the remuneration policy of the Company;
- Recommending the Board retirement benefits;
- Reviewing the performance of employees and their compensation; and
- Attending to any other responsibility as may be entrusted by the Board.

Remuneration Policy:

The Company has formulated the remuneration policy. The details of this policy are available on the Company's website i.e. www.valueind.in.

Performance Evaluation Criteria for Independent Directors:

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

Familiarisation Program for Independent Directors:

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

Director's Remuneration:

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

Name	Sitting fees paid (Rs.)
Mr. Naveen Mandhana	36,000
Mr. Avinash Malpani	0
Mr. Bhujang Kakade	36,000
Mrs. Gayathri Girish	3,500
Mr. Deepak Pednekar	4,500
Total	80,000

The Company has not issued any stock options.

Risk Management Committee:

During the year under review, the Committee was duly reconstituted. Mr. Avinash Malpani ceased to be member of the Risk Management Committee consequent to resignation from the Board of Directors of the Company. Mrs. Gayathri R. Girish was appointed as Member of the Committee w.e.f. 1st July, 2017. The Risk Management Committee was further reconstituted on 25th January, 2018. Mrs. Gayathri R. Girish ceased to be member of the Committee consequent to resignation from the Board of Directors of the Company. Mr. Deepak A. Pednekar was appointed as Member of the Committee w.e.f. 25th January, 2018.

The Committee met 1 (One) time on 30th May, 2017.

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

Name of the Director	Designation	Category	No. of Meetings Attended
Mr. Bhujang Kakade	Chairman	Independent	1
Mr. Naveen Mandhana	Member	Independent	1
Mr. Deepak Pednekar*	Member	Independent	-
Mr. Avinash Malpani**	Member	Independent	0
Mrs. Gayathri R. Girish#	Member	Non – Executive	-

* Appointed w.e.f. 25/01/2018

** Resigned w.e.f. 01/07/2017

Resigned w.e.f. 25/01/2018

The framework of the Risk Management Committee includes:

- Risk Identification
- Risk Assessment
- Risk Measurement
- Risk Mitigation and Monitoring
- Risk Treatment
- Risk Reporting
- **Corporate Social Responsibility Committee:**

During the year under review, the Committee was duly reconstituted. Mr. Avinash Malpani ceased to be member of the Corporate Social Responsibility Committee consequent to resignation from the Board of Directors of the Company. Mrs. Gayathri R. Girish was appointed as Member of the Committee w.e.f. 1st July, 2017. The Corporate Social Responsibility Committee was further reconstituted on 25th January, 2018. Mrs. Gayathri R. Girish ceased to be member of the Committee consequent to resignation from the Board of Directors of the Company. Mr. Deepak A. Pednekar was appointed as Member of the Committee w.e.f. 25th January, 2018.

During the year under review 1 (One) meeting of the Corporate Social Responsibility Committee was held on 1st September, 2017.

The composition of Corporate Social Responsibility Committee as on 31st March, 2018 was as under:

Name of the Director	Designation	Category	No. of Meetings Attended
Mr. Bhujang Kakade	Chairman	Independent	1
Mr. Naveen Mandhana	Member	Independent	1
Mr. Deepak Pednekar*	Member	Independent	N.A.
Mr. Avinash Malpani**	Member	Independent	N. A.
Mrs. Gayathri R. Girish#	Member	Non – Executive	0

* Appointed w.e.f. 25/01/2018

** Resigned w.e.f. 01/07/2017

Resigned w.e.f. 25/01/2018

Finance and General Affairs Committee:

Mr. Avinash Malpani ceased to be member of the Finance and General Affairs Committee consequent to resignation from the Board of Directors of the Company. Mrs. Gayathri R. Girish was appointed as Member of the Committee w.e.f. 1st July, 2017. The Finance and General Affairs Committee was further reconstituted on 25th January, 2018. Mrs. Gayathri R. Girish ceased to be member of the Committee consequent to resignation from the Board of Directors of the Company. Mr. Deepak A. Pednekar was appointed as Member of the Committee w.e.f. 25th January, 2018.

Composition as on 31st March, 2018, Meetings and Attendances:

During the year under review, 9 (nine) Committee Meetings were held.

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

Name of the Director	Designation	Category	No. of Meetings Attended
Mr. Bhujang Kakade	Chairman	Independent	9
Mr. Naveen Mandhana	Member	Independent	9
Mr. Deepak Pednekar*	Member	Independent	1
Mr. Avinash Malpani**	Member	Independent	0
Mrs. Gayathri R. Girish#	Member	Non – Executive	0

* Appointed w.e.f. 25/01/2018

** Resigned w.e.f. 01/07/2017

Resigned w.e.f. 25/01/2018

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

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

DETAILS OF GENERAL BODY MEETINGS

Location and time where the last three AGMs were held:

AGM	Date	Location	Time	Number of Special Resolution Passed
27 th	30 th June, 2015	14 K. M. Stone, Aurangabad – Paithan Road, Village :Chittegaon, Taluka: Paithan, District: Aurangabad – 431 105	2.00 p.m.	NIL
28 th	26 th September, 2016	14 K. M. Stone, Aurangabad – Paithan Road, Village :Chittegaon, Taluka: Paithan, District: Aurangabad – 431 105	10.30 a.m.	NIL
29 th	29 th September, 2017	14 K. M. Stone, Aurangabad – Paithan Road, Village :Chittegaon, Taluka: Paithan, District: Aurangabad – 431 105	2:00 p.m.	NIL

Postal Ballot

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

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

DISCLOSURES

a)	Materially significant related party transactions i.e, transactions of the Company of material nature with its promoters, directors / management, subsidiaries / relatives etc. that may have potential conflict with the interests of the Company at large.	There are no transactions which may have potential conflicts with the interest of the Company at large. Transactions with related parties are disclosed in note no. 46 of the “Notes forming part of Financial Statements” in the Annual Report.
b)	Non-Compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.	NIL
c)	Details of Establishment of Vigil Mechanism, Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee.	The Company has implemented Vigil Mechanism and Whistle Blower Policy and it is hereby affirmed that no personnel have been denied access to Audit Committee.

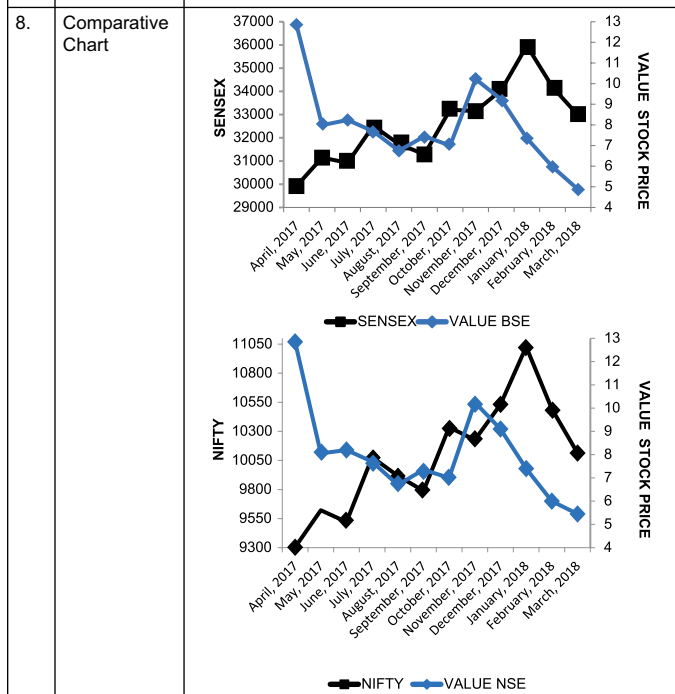
d)	Details of Compliance with mandatory requirements and adoption of the non-mandatory requirements of this Clause	The status of compliance with discretionary recommendations of the Regulation 27 of the SEBI Regulations with Stock Exchanges <i>inter-alia</i> is provided below: a. Shareholders’ Rights: As the quarterly and half yearly financial performance along with significant events are published in the news papers and are also posted on the Company’s website, the same are not being sent to the shareholders. b. Modified Opinion in Auditors Report: The Company’s Financial Statements for the year ended 31 st March, 2018 does not contain any modified audit opinion. c. Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.
e)	Weblink where the policy for determining related party transactions is disclosed.	The policy on related party transactions is disclosed on the Company’s weblink http://www.valueind.in/image/value/Value%20Related%20Party%20Transaction%20Policy.pdf • The Company is in compliance with the corporate governance requirements specified in Regulation 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Regulations.
f)	Disclosure with respect to Demat Suspense Account/ Unclaimed Suspense Account	N.A.

GENERAL INFORMATION FOR SHAREHOLDERS

1.	Annual General Meeting	As set out in the Notice convening Annual General Meeting.	
2.	Financial Calendar	Financial Year	1 st April, 2018 to 31 st March, 2019
		Financial Results	Announcement within 45 days from end of each quarter and 60 days from end each quarter for audited accounts or such limit as may be prescribed by SEBI/Stock Exchanges.
		Un-audited Results for the First Quarter	On or before 14 th August, 2018
		Un-audited Results for the Second Quarter	On or before 14 th November, 2018
		Un-audited Results for the Third Quarter	On or before 14 th February, 2019
		Audited Results for the Financial Year	On or before 30 th May, 2019
	Annual General Meeting for Financial Period ending on 31 st March, 2019	On or before 30 th September, 2019	
3.	Date of Book Closure	As set out in the Notice convening Annual General Meeting.	
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 not paid listing fees to both the Stock Exchange and the Custodial Fees to National Securities Depository Limited and Central Depository Services (India) Limited for the year under review.	

6.	Stock Code	<p>The names and addresses of the Stock Exchanges where the equity shares of your Company continue to be listed are given below:</p> <p>BSE Limited (BSE) 1st Floor, New Trading Ring, Phiroze Jeejee bhoy Towers, Dalal Street, Mumbai – 400 001 500945 (Stock Code)</p> <p>The National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 059 VALUEIND (Stock Code)</p>
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7.	Market Price Data	<table border="1"> <thead> <tr> <th rowspan="2">Month</th> <th colspan="2">BSE</th> <th colspan="2">NSE</th> </tr> <tr> <th>High Price</th> <th>Low Price</th> <th>High Price</th> <th>Low Price</th> </tr> </thead> <tbody> <tr><td>April, 2017</td><td>15.75</td><td>11.66</td><td>15.9</td><td>11.75</td></tr> <tr><td>May, 2017</td><td>14.43</td><td>7.81</td><td>13.8</td><td>7.7</td></tr> <tr><td>June, 2017</td><td>9.39</td><td>6.61</td><td>9.25</td><td>6.65</td></tr> <tr><td>July, 2017</td><td>8.95</td><td>7.5</td><td>9.3</td><td>7.45</td></tr> <tr><td>August, 2017</td><td>7.94</td><td>5.7</td><td>8</td><td>6.1</td></tr> <tr><td>September, 2017</td><td>7.75</td><td>6.55</td><td>7.9</td><td>6.4</td></tr> <tr><td>October, 2017</td><td>7.45</td><td>5.9</td><td>7.7</td><td>6.65</td></tr> <tr><td>November, 2017</td><td>10.22</td><td>5.66</td><td>10.25</td><td>5.7</td></tr> <tr><td>December, 2017</td><td>11.24</td><td>7.49</td><td>11.25</td><td>7.7</td></tr> <tr><td>January, 2018</td><td>11.7</td><td>7.05</td><td>11.65</td><td>7.35</td></tr> <tr><td>February, 2018</td><td>7.7</td><td>5.71</td><td>7.6</td><td>5.55</td></tr> <tr><td>March, 2018</td><td>6.12</td><td>4.5</td><td>6.15</td><td>4.75</td></tr> </tbody> </table>	Month	BSE		NSE		High Price	Low Price	High Price	Low Price	April, 2017	15.75	11.66	15.9	11.75	May, 2017	14.43	7.81	13.8	7.7	June, 2017	9.39	6.61	9.25	6.65	July, 2017	8.95	7.5	9.3	7.45	August, 2017	7.94	5.7	8	6.1	September, 2017	7.75	6.55	7.9	6.4	October, 2017	7.45	5.9	7.7	6.65	November, 2017	10.22	5.66	10.25	5.7	December, 2017	11.24	7.49	11.25	7.7	January, 2018	11.7	7.05	11.65	7.35	February, 2018	7.7	5.71	7.6	5.55	March, 2018	6.12	4.5	6.15	4.75
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9.	Registrar and Share Transfer Agents	<p>MCS Share Transfer Agent Limited A-209, C Wing, 2nd Floor Gokul Industries Estate Building, Sagbaug, Marol Co-op Industrial Area, B/H Times Square, Andheri East, Mumbai – 400059.</p> <p>Tel: 022 – 40206022-25 Fax: 022 – 40206021 E-mail: mcssta.mumbai@gmail.com</p>
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10.	Share Transfer System	<p>Applications for transfer of shares held in physical form are received at the office of the Registrar and Share Transfer Agents of the Company. All valid transfers are processed within 15 days from the date of receipt. The Company has pursuant to Clause 47(c) of the Listing Agreement and Regulation 7(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, entered with the Stock Exchanges, submitted within stipulated time, certificate of half yearly basis confirming due compliance of Share Transfer formalities by the Company from Practising Company Secretary.</p>
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11. a) Shareholding Pattern as on 31st March, 2018, is given as under:

Category Code	Category of Shareholder	Number of Shareholders	Total Number of Shares	As a percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group			
(1)	Indian	20	18,322,416	46.76
(2)	Foreign	-	-	-
	Sub-Total (A)	20	18,322,416	46.76
(B)	Public Shareholding			
(1)	Institutions	51	965,880	2.46
(2)	Non-Institutions			
	-Bodies Corporate	900	16,49,004	4.21
	-Individuals	63,021	14,899,177	38.02
(3)	-Others	69	33,49,198	8.55
	Sub-Total (B)	64,041	20,863,259	53.24
	TOTAL (A) + (B)	64,061	39,185,675	100.00
(C)	Shares held by Custodians and against which depository Receipt have been issued			
(1)	Promoter and Promoter Group	-	-	-
(2)	Public	-	-	-
	Sub-total (C)	-	-	-
	GRAND TOTAL (A) + (B) + (C)	64,061	39,185,675	100.00

b) Distribution of Shareholding as on 31st March, 2018 is as given below:

Shareholding of Nominal Value	Number of Shareholders	% to the total number of shareholders	No of shares	Amount in Rs	% to total value of Capital
Up to 5,000	60,429	94.33	7,085,929	70,859,290	18.08
5,001 to 10,000	1811	2.83	1,495,073	14,950,730	3.81
10,001 to 20,000	840	1.31	1,303,947	13,039,470	3.33
20,001 to 30,000	276	0.43	704,756	7,047,560	1.8
30,001 to 40,000	126	0.2	452,636	4,526,360	1.16
40,001 to 50,000	141	0.22	670,102	6,701,020	1.71
50,001 to 100,000	226	0.35	1,626,697	16,266,970	4.15
100,001 and above	212	0.33	25,846,535	258,465,350	65.96
Total	64,061	100	39,185,675	391,856,750	100

12.	Dematerialization of Shares	The Company's Equity Shares are under compulsory demat trading by all categories of investors. As on 31 st March, 2018, 34,901,730 Equity Shares have been dematerialized which account for 89.07% of the total equity.
13.	Outstanding GDRs/ ADRs/ Warrants or Conversion Instruments, Conversion Date and like impact on equity	NIL
14.	Plant Location	15 K. M. Stone, Aurangabad-Paithan Road, Village: Chittegaon, Taluka: Paithan, Dist. Aurangabad – 431 105, Maharashtra
15.	Address for Correspondence	14 K. M. Stone, Aurangabad – Paithan Road, Village: Chittegaon, Taluka: Paithan, Aurangabad – 431 105 (Maharashtra) Tel.: (02431) 251 555; Fax: (02431) 251 571 Email: secretarial_value@videoconmail.com The correspondence address for shareholders in respect of their queries is: MCS Share Transfer Agent Limited A-209 C- Wing, 2nd Floor, Gokul Industries, Estate Building Sagbaug, Marol Co-op Industrial Area, B/H Times Square, Andheri (E), Mumbai – 400059

MISCELLANEOUS:

BANK DETAILS:

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

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

PERMANENT ACCOUNT NUMBER:

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

NOMINATION FACILITY:

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

DISCLOSURE OF COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES:

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

MEANS OF COMMUNICATION

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

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

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

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

Compliance Certificate from Statutory Auditors:

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

CERTIFICATION

To,

The Board of Directors

VALUE INDUSTRIES LIMITED

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

- a) We have reviewed the Financial Statements and the Cash Flow Statements for the Financial Period ended on 31st March, 2018 and to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the period are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company, disclosing to the Auditors and the Audit Committee the deficiencies in the design or operation of such internal controls, if any, and take steps or propose to take steps to rectify these deficiencies.
- d) We have indicated, wherever applicable, to the Auditors and the Audit Committee;
 - i) Significant changes in Internal Control over financial reporting during the period;
 - ii) Significant changes in Accounting Policies, the same have been disclosed in the notes to the financial statements ; and
 - iii) Instances of significant fraud of which we have become aware and the involvements therein if any of the management or an employee having a significant role in the Company's internal control systems or financial reporting.

For **VALUE INDUSTRIES LIMITED**

HEAD - OPERATIONS

HEAD FINANCE

Place : Mumbai

Date :17th August, 2018

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of

VALUE INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by Value Industries Limited, ("the Company") for the period ended on 31st March, 2018, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us and representation made by the Directors and the Management, we certify that the Company has substantially complied with the conditions of Corporate Governance as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges. However, the Company has delayed the submission of unaudited financial results/shareholding patterns for certain quarters.

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 **M/S. S. Z. DESHMUKH & CO.**

Chartered Accountants

(Firm Registration No. 102380W)

D.U. KADAM

Partner

Membership No. 125886

Place: Mumbai

Date: 17th August, 2018

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

INDUSTRY STRUCTURE AND DEVELOPMENT

The consumer durables industry is one of the fastest growing industries in India. It is one of the largest industries as well. The market continues to evolve at a rapid pace and demands more comfort and eco-friendly products and, accordingly, the manufacturer are also working towards more and more comfortable, luxurious and environmental friendly products. The Indian consumers are fast catching up on par with their global counter parts and thus are demanding more easy to operate, energy efficient and star-rated products. All these have led to huge competition in the market and additional expenditure and cost on account of research and development, increasing cost of production etc.,. Further, the manufacturers are forced to offer additional discounts to stay in the market. These days, offers, deals and discounts are the most important criteria for buying consumer electronics and home appliances.

The Company has adopted mantra of "Digitization". The generation today understands the language of e-communication; they are more dynamic. In today's world, information delayed is information decayed and thus, reaching the information to consumer-end at the earliest has become the most important aspect.

PRODUCT WISE PERFORMANCE

Consumer durables' is one of the fastest growing industry segments in India. The Indian consumer durables segment can broadly be segregated into White goods, brown goods and consumer electronics. White goods comprises of Air conditioners, Washing Machines and Refrigerator; Brown goods comprises of Cooking range, Vacuum Cleaners, Fans, Water Purifiers etc., and; Consumer Electronics comprises of Television, Computers, Mobile Phones, Laptops, Gaming Consoles etc.

The Company is primarily engaged in White Goods, as detailed hereunder:

Washing Machines:

The dependence on technology has increased considerably during the years. Washing machines are no more a privilege. . The washing machine has become a necessity in the daily lives of the people. It is no longer a luxury product but a utilitarian product. It has become an essential item in every house making the practice of washing clothes more intelligent, personalised and time saving. Also, the washing machines now-a-days are more user friendly and easy to operate. Thought process of people in direction of having a better lifestyle is facilitating trade and commerce.

The demand for washing machines continue to surge due to increasing availability of new innovative models in the market, growing disposable income, easy financing options etc., The market is flooded with numerous leading electronics brands presenting a huge variety of models to choose from. It is available from a normal large-sized look to more portable and stylish look such as top loading, front loading, fully automatic, and semi-automatic. New innovative washing machines include Bluetooth technology and a messaging feature through which it can receive recommendations and control settings even when the user is away from home.

Growing disposable income and easy financing options have led to shortened replacement cycles whereas rising influence of modern lifestyle has perceived

products such washing machines as utility items rather than luxury goods. Penetration of washing machines is expected to increase in the coming years with sales from rural India. Demand for washing machines goes up during monsoons and there is a greater need among urban and metro consumers to upgrade their machines during coming seasons. Your Company continues to take up numerous projects to improve and innovate the existing line up in a big way.

The Company is focusing on introduction of New Top loading & Front loading Fully Automatic washing machines that are user friendly, with tangible usability features utilizing lesser resources and provide excellent wash performance. Brands has been consistent in maintaining its market image, share and retaining shelf space presence across dealer counter through its 3-pronged product strategy integrated with Distribution & Marketing Strategy based on evolving market dynamics.

The products which are introduced recently have following features:

- Technologically advanced Washing Machine with no knobs and buttons and has a Touch screen Panel.
- Upgraded Washing Machines with a 4 wash Program, Auto soak feature, High Gloss Top Look and PentaSpin Pulsator, vibrant colours and aesthetically superior looks, multiple wash selection option, lesser water consumption and higher performance, Rust Proof Body, Germ Free etc.,.
- Wide range of Fully Automatic & Front Load Machines with higher capacities to meet needs of various segments of market and fulfilling requirements of wide spectrum of the consumers.

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

Refrigerators:

The Refrigerator market is categorized into two types i.e. direct cool refrigerators and frost free refrigerators. Refrigerator market in India is one of the fastest growing segments of the consumer durable industry. The utility and the need of refrigerator is felt 365 days in a year, and hence has become an indispensable item of every household. Moreover, due to the hot and humid weather conditions in the country, the necessity of the product has increased manifold.

Rising household income, improving living standards, rapid urbanization, increasing number of nuclear families, large untapped market and environmental changes are major growth drivers for the refrigerator industry.. Besides magical synthesis of design and performance, your refrigerators are compact outside and spacious inside.

The following are the features of the refrigerators /benefits derived from R & D activities:

- "Base Stand" for keeping Onion, potato, garlic in Direct Cool refrigerator.
- "Bottle Rack" for keeping additional water, juice, wine bottles.
- "Soft Veg Crisper" with Photos is fresh technology is a special compartment for keeping delicate vegetables
- Additional "Fruit crisper" to store exotic fruits.
- "Deodorizer" for eliminating bad smells & preserve food's original aroma;
- "Bottle Zone" for faster chilling of soft-drinks and water.

- VCM (Vinyl Coated Material) and PCM (Pre coated Material) door Finish with Stylish Flush Look.
- Artic Freezer insulated with Cool Pack that helps in retaining cooling even during longer power cuts.
- Safety Glass Shelves.
- Comes with Penta Ease benefits to further ease your life. The benefits are farm fresh, wine rack, spice zone, bottle zone and fruit crisper.
- Equipped with Robust Compressor giving 5 Star rating without Inverter Compressor.

STRATEGY AND OUTLOOK

Your company has re-aligned its product strategy and empowered the portfolio with advanced technologies. The demand for the products under the Consumer Appliances and Electronics segment will get a big push due to reduction in price difference between the organized players and those of their competitors in the unorganized space.

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

OPPORTUNITIES AND THREATS

The Company offers durables that are not subject to frequent change by the consumers. The consumers have to be satisfied about the quality and technology of the product to be able to make a second purchase of the same brand.

Opportunities:

- The rural market is still unexploited. There are huge opportunities available in rural areas. It is estimated that rural areas contribute just 10-15% of sales.
- The rapid urbanization is improvising the demand for the white goods. The urban penetration has been pretty high for entire consumer durables industry. There has been a paradigm shift of the Indian population in terms of rural-urban divide. The aspiration of higher income, higher standard of living have drawn more and more people from villages to settle in towns and cities thereby resulting in increase in demand for consumer durables.
- Increase in Purchasing Power of Consumers. The growing number in dual income families has given greater purchasing power and willingness to spend money has resulted in higher demand for consumer durables.
- Increase in per capita income of the citizens.
- The discretionary spending has become important on account of rise in income level of the consumers and availability of easy finances.
- The growth of e-commerce has huge positive impact on sales.

Threats:

- Cheap imports from Singapore, China and other Asian countries.
- Higher import duties on raw materials imposed.
- Inability to respond to dynamic consumer behaviour.
- Identifying, attracting and retaining human capital.
- Continuous changing technology.
- High inflation resulting in increase in procurement costs.

- Competition by foreign entities.
- Matching the sustainability of a product with its cost.

RISKS AND CONCERNS

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

Risks associated with the nature of business of the Company:

- Rising cost and input prices.
- Intense competition.
- Continuous changing technology.
- Increasing formalities with respect to claiming warranty.
- Increasing number of participants.
- Inability to respond to dynamic consumer behaviour.
- Unstable Compliance and Regulatory policies.

INTERNAL CONTROL SYSTEM

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

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

FINANCIAL PERFORMANCE

Income:

Revenue form Operations

During the year under review, the Company achieved Revenue form Operations of Rs. 2,525.17 Million as against Rs. 11,846.20 Million for the year ended on March 31, 2017.

Other Income

Other Income amounted to Rs. 50.57 Million for the year ended March 31, 2018 as against Rs. 42.90 Million for the year ended on March 31, 2017. Other income comprises of interest income, profit on sale of fixed assets, insurance claim received, exchange rate fluctuations and other non operating income.

Expenditure:

Cost of Goods Consumed/Sold

During the year under review, Cost of Goods Consumed/Sold stood at Rs. 6,760.18 Million as against Rs. 9,675.28 Million for the year ended on March 31, 2017.

Employee Benefits Expenses

During the year under review, employee benefit expenses were Rs. 176.29 Million as against Rs. 271.47 Million for the year ended on March 31, 2017.

Other Expenses

During the year under review, the Other Expenses were Rs. 518.60 Million as against Rs. 484.30 Million for the year ended on March 31, 2017.

Finance Cost

For the year under review, Finance Cost amounted to Rs. 1,018.18 Million as against Rs. 979.85 Million for the year ended on March 31, 2017.

Depreciation & Amortization

Depreciation & Amortization amounted to Rs. 842.74 Million as against Rs. 724.03 Million for the year on March 31, 2017.

Loss before Tax

The Loss before Tax for the current year amounted to Rs. 6,881.06 Million as against a loss of Rs. 872.98 Million for the year on March 31, 2017.

Net Loss

Net Loss of the Company for the current year amounted to Rs. 6,314.79 Million as against a loss of Rs. 604.42 Million for the year ended on March 31, 2017.

Earnings per Share

Earnings per Share for the current year amounted to Rs. (161.15) as against Rs. (15.42) for the year on March 31, 2017.

HUMAN RESOURCE MANAGEMENT

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

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

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

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

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

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

Some HR Best practices for employee bonding

- Hot T Seminar – monthly event – An expert shares his experience in a forum.
- First week-end Celebrations – monthly event
- Smiley Concept – instantly recognition
- Rewards & Recognitions – monthly, Quarterly & Yearly mode

The total staff strength of the Company for the financial year ended 31st March, 2018 is around 380.

CAUTIONARY STATEMENT

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

INDEPENDENT AUDITORS' REPORT

To

The Members of

VALUE INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **VALUE INDUSTRIES LIMITED** (the Company), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, and the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Basis for Qualified Opinion

As mentioned in Note No. 48 to the financial statements, during the year the Company has incurred a net loss of Rs. 6,314.79 Million and as of that date the Company's accumulated losses amounts to Rs. 5,951.94 Million and it has negative net worth of Rs. 2,555.44 Million. Further, the Company has been referred to National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 as amended, and there are persistent severe strains on the working capital and there is considerable decline in level of operations of the Company. These factors raise significant doubts on the ability of the Company to continue as a "Going Concern". The management has assumed that the going concern concept stands vitiated and is in the process of ascertaining the liquidation value of the assets. The necessary adjustments required on the carrying amount of assets and liabilities have not been ascertained and the impact thereof on the financial statements is not ascertainable at this stage.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us *except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph*, the aforesaid financial statements read with the notes thereon 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 including the Ind AS, of the state of affairs of the Company as at March 31, 2018, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

As mentioned in Note No. 47 to the financial statements, the balance confirmations and reconciliation have not been received in respect of certain secured and unsecured loans, balances with banks, trade receivables, trade and other payables and loans and advances. In the opinion of the management, there will not be any material impact on the financial statements.

Our opinion is not modified in respect of above matters.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditors whose report for the year ended March 31, 2017 and period ended March 31, 2016 dated May 30, 2017 and May 30, 2016 respectively expressed unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Report on Other Legal and Regulatory Requirements

- 1) As required by Section 143(3) of the Act, based on our we report, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account;
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued there under;
 - e) *The matter relating to the management assumption that the going concern concept stands vitiated described in Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.*
 - f) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act;
 - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A;
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 38 and 40 to the financial statements.
 - ii) The Company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses; and
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- 2) As required by the Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government in terms of Section 143(11) of the Act, we give in Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

For S Z DESHMUKH & CO.

Chartered Accountants

(Firm Registration No. 102380W)

D. U. KADAM

Partner

Membership No. 125886

Place: Mumbai

Date: July 3, 2018

ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

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

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

We have audited the internal financial controls over financial reporting of VALUE INDUSTRIES LIMITED (the Company) as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S Z DESHMUKH & CO.

Chartered Accountants

(Firm Registration No. 102380W)

D. U. KADAM

Partner

Membership No. 125886

Place: Mumbai

Date: July 3, 2018

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

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

- (i) In respect of fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As per the information and explanations given to us, physical verification of fixed assets has been carried out in terms of the phased programme of verification adopted by the Company and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable, having regard to the size of the Company and nature of its business.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) (a) As per the information and explanation given to us, the inventories have been physically verified during the year by the management at reasonable intervals. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is reasonable.
- (b) As per information and explanation given to us, no material discrepancies were noticed.
- (iii) As per the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans, investments, guarantees and security.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the period. Therefore, the provisions of clause (v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, in our opinion, the Company has, *prima facie*, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under section 148(1) of the Companies Act, 2013. We have however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income tax, sales tax, service tax, goods and service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues with appropriate authorities wherever applicable. According to the information and explanations given to us, undisputed arrears of statutory dues which were outstanding as on March 31, 2018 for a period of more than six months from the date they became payable and not paid till date are given below:

Nature of Dues	Rs. in Million
1. Central Sales Tax	0.01
2. Value Added Tax	82.52
3. Entry Tax	3.73

- (b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, details of dues of income tax, sales tax, value added tax, service tax, custom duty and excise duty, which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of Statute	Nature of the Dues	Amount (Rs. Million)	Forum where dispute is pending
1. Customs Act, 1962	Custom Duty (including penalty)	4.37	Commissioner
		5.46	Asst. Commissioner
2. Central Excise Act, 1944	Excise Duty (including penalty)	199.44	CESTAT
		2.81	Addl. Commissioner
		4.41	Deputy Commissioner
		0.49	Asst. Commissioner
3. Finance Act, 1994 (Service tax Provisions)	Service Tax	1.00	Asst. Commissioner
4. Sales Tax Act of various States	Sales Tax	0.01	Commercial Tax Officer
		0.25	Addl. Commissioner (Appeal)
		0.22	Addl. Deputy Commissioner (Appeal)
		0.12	Joint Commissioner
		48.03	Joint Commissioner (Appeal)
		1.23	Deputy Commissioner
		927.44	Special Commissioner
3.58	Tribunal		
5. Income Tax Act, 1961	Income Tax	21.61	CIT (Appeal)

(viii) According to the information and explanation given to us and on the basis of our examination of the records of the Company, we observed that, the Company has defaulted in repayment of interest and principal amount of all loans to financial institutions and banks. The default runs into more than 365 days.

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

(ix) According to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loans during the year.

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

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

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

(xiii) According to the information and explanation given to us and on the basis of our examination of the records of the Company, we observed that, transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards.

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

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

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

For S Z DESHMUKH & CO.

Chartered Accountants

(Firm Registration No. 102380W)

D. U. KADAM

Partner

Membership No. 125886

Place: Mumbai

Date: July 3, 2018

BALANCE SHEET AS AT MARCH 31, 2018

(Rs. in Million)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
I. ASSETS				
1) Non-current assets				
Property, Plant and Equipment	2	7,795.47	8,670.49	8,514.05
Capital work-in-progress	2	-	96.65	186.98
Other Intangible assets	3	-	0.01	3.26
Financial Assets				
i) Investments	4	66.09	102.45	99.33
ii) Loans	5	2.56	2.61	2.61
iii) Others	6	8.97	15.14	39.58
Other non-current assets	7	36.91	30.22	31.91
Other Tax Assets (Net)		44.48	43.03	40.17
Total non current assets		7,954.48	8,960.60	8,917.89
2) Current Assets				
Inventories	8	1,025.58	5,862.04	6,144.93
Financial Assets				
i) Trade receivables	9	2,132.48	2,453.14	2,460.64
ii) Cash and cash equivalents	10a	23.28	17.18	77.91
iii) Bank balances other than (10a) above	10b	17.72	126.68	112.41
iv) Loans	11	2,675.96	218.45	354.12
v) Others	12	-	0.38	-
Other current assets	13	178.65	227.47	93.29
Total current assets		6,053.67	8,905.34	9,243.30
TOTAL ASSETS		14,008.15	17,865.94	18,161.19
II. EQUITY AND LIABILITIES				
1) Equity				
Equity share capital	14	391.86	391.86	391.86
Other equity	15	(2,947.30)	3,401.35	4,006.95
Total Equity		(2,555.44)	3,793.21	4,398.81
2) Non current liabilities				
Financial liabilities				
i) Borrowings	16	-	2,071.85	2,164.51
Provisions	17	7.32	13.03	13.21
Deferred tax liabilities (net)	18	482.14	1,047.25	1,316.56
Other non current liabilities	19	24.23	29.17	35.38
Total non current liabilities		513.69	3,161.30	3,529.66
3) Current liabilities				
Financial liabilities				
i) Borrowings	20	12,919.56	8,795.09	8,226.45
ii) Trade payables	21	339.79	1,703.88	1,699.33
iii) Others	22	2,607.83	193.61	169.70
Other current liabilities	23	137.49	164.39	74.34
Provisions	24	45.23	54.46	62.90
Total Current liabilities		16,049.90	10,911.43	10,232.72
TOTAL EQUITY AND LIABILITIES		14,008.15	17,865.94	18,161.19
Significant Accounting Policies	1			

The accompanying notes are an integral part of the financial statements

As per our report of even date.
For S Z DESHMUKH & CO.
Chartered Accountants

For and on behalf of the Board

D. U. KADAM
Partner
ICAI Membership No: 125886

B. S. KAKADE
Director
DIN 06383819

D. A. PEDNEKAR
Director
DIN 07639771

Place : Mumbai
Date : July 3, 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Million)

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
I. Income			
Revenue from Operations	25	2,525.17	11,846.20
Other income	26	50.57	42.90
Total Income		2,575.74	11,889.10
II. Expenses			
Cost of materials consumed	27	4,237.15	4,614.90
Purchase of stock-in-trade	28	807.11	5,055.12
Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	1,715.92	5.26
Excise Duty		140.81	627.15
Employee Benefits Expenses	30	176.29	271.47
Finance Costs	31	1,018.18	979.85
Depreciation and Amortization Expenses	2&3	842.74	724.03
Other Expenses	32	518.60	484.30
Total Expenses		9,456.80	12,762.08
Profit/(Loss) before Tax		(6,881.06)	(872.98)
Tax expense:	33		
i) Current Tax		-	-
ii) Deferred Tax		(566.27)	(268.56)
Total Tax Expenses		(566.27)	(268.56)
Profit/(Loss) for the year		(6,314.79)	(604.42)
Other comprehensive income/(loss)			
Items that will not be reclassified to statement of profit or loss in subsequent period			
i) Remeasurements of the defined benefit plans		3.35	(2.18)
ii) Equity instruments through other comprehensive income - net change in fair value		(36.05)	0.25
iii) Income tax on above		(1.16)	0.75
		(33.86)	(1.18)
Total comprehensive income/(loss) for the year		(6,348.65)	(605.60)
Earnings per equity share			
Basic and diluted earnings per share	34	(161.15)	(15.42)
Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date.
For S Z DESHMUKH & CO.
Chartered Accountants

For and on behalf of the Board

D. U. KADAM
Partner
ICAI Membership No: 125886

B. S. KAKADE
Director
DIN 06383819

D. A. PEDNEKAR
Director
DIN 07639771

Place : Mumbai
Date : July 3, 2018

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Million)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax	(6,881.06)	(872.98)
Adjustments for:		
Depreciation and Amortisation	842.74	724.03
Finance Costs	1,018.18	979.85
Provision for Warranty and Maintenance Expenses	(5.96)	(6.53)
Provision for Gratuity	(7.00)	(3.56)
Provision for Leave Encashment	(1.98)	1.47
Interest Income	(8.41)	(18.95)
(Profit)/Loss from Investments and Securities Division	(22.17)	0.13
(Profit)/Loss on Sale/Discard of Fixed Assets	295.75	0.08
Adjustment of Grant	(4.94)	(6.21)
Guarantee commission	(1.45)	(1.42)
Operating Profit before Working Capital Changes	(4,776.30)	795.91
Adjustments for:		
Inventories	4,836.46	282.89
Trade Receivables	320.66	7.50
Other financial and non financial assets	(2,414.95)	2.80
Trade Payables	(1,364.09)	4.55
Other financial and non financial liabilities	2,521.42	85.33
Cash generated from Operations	(876.80)	1,178.98
Less: Taxes Paid (Net)	1.45	2.86
Net Cash (used in) / from Operating Activities (A)	(878.25)	1,176.12
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest Income	8.41	18.95
Sale of Fixed Assets	-	0.61
Purchase of Fixed Assets (Including Capital Work-in-Progress)	(166.81)	(787.58)
(Increase)/Decrease in Fixed Deposits and Other Bank Balances	115.13	10.17
Profit/(Loss) from Investments and Securities Division	22.17	(0.13)
(Purchase)/Sale of Investments (Net)	0.31	(2.87)
Net Cash (used in) Investing Activities (B)	(20.79)	(760.85)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Non-Current Borrowings	613.92	(63.57)
Increase/(Decrease) in Current Borrowings	1,311.39	568.64
Finance Costs	(1,018.18)	(979.85)
Payment of Dividend	(1.99)	(1.22)
Net Cash from / (used in) Financing Activities (C)	905.14	(476.00)
Net Change in Cash and Cash Equivalents (A+B+C)	6.10	(60.73)
Cash and Cash Equivalents at beginning of the year	17.18	77.91
Cash and Cash Equivalents at end of the year	23.28	17.18

Notes: The movement of borrowings as per Ind AS 7 is as follows:

	Non-Current	Current	Total
Opening borrowings as on April 1, 2017	2,199.16	8,795.09	10,994.25
Proceeds/(Repayments) during the year	613.92	1,311.39	1,925.31
Non-cash adjustments*	(2,813.08)	2,813.08	-
Closing borrowings as on March 31, 2018	-	12,919.56	12,919.56

*Includes transfer from non current borrowings to current borrowings

As per our report of even date.
For S Z DESHMUKH & CO.
Chartered Accountants

For and on behalf of the Board

D. U. KADAM
Partner
ICAI Membership No: 125886

B. S. KAKADE
Director
DIN 06383819

D. A. PEDNEKAR
Director
DIN 07639771

Place : Mumbai
Date : July 3, 2018

STATEMENT OF CHANGES IN EQUITY (SOCIE) FOR THE YEAR ENDED MARCH 31 , 2018

a) Equity share capital

Particulars	Note	Rs. in Million
Balance as at April 1, 2016		391.86
Changes in equity share capital during the year	14	-
Balance as at March 31, 2017		391.86
Changes in equity share capital during the year	14	-
Balance as at March 31, 2018		391.86

b) Other equity

(Rs. in Million)

Particulars	Reserves & Surplus					Items of Other Comprehensive Income (OCI)	Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	General Reserve	Retained earnings*	Equity investments through OCI	
Balance as at April 1, 2016	0.64	780.77	899.03	1,625.62	966.51	(265.62)	4,006.95
Profit/(Loss) for the year	-	-	-	-	(604.42)	-	(604.42)
Other comprehensive income/(loss) for the year	-	-	-	-	(1.43)	0.25	(1.18)
Total comprehensive income/(loss) for the year	-	-	-	-	(605.85)	0.25	(605.60)
Balance as at March 31, 2017	0.64	780.77	899.03	1,625.62	360.66	(265.37)	3,401.35
Profit/(Loss) for the year	-	-	-	-	(6,314.79)	-	(6,314.79)
Other comprehensive income/(loss) for the year	-	-	-	-	2.19	(36.05)	(33.86)
Total comprehensive income/(loss) for the year	-	-	-	-	(6,312.60)	(36.05)	(6,348.65)
Balance as at March 31, 2018	0.64	780.77	899.03	1,625.62	(5,951.94)	(301.42)	(2,947.30)

* Includes fair valuation impact of Land and Building Rs. 2,987.32 Million for March 31, 2018, Rs. 3,016.12 Million in March 31, 2017 and Rs. 3,044.92 Million in April 1, 2016. Such amounts are not available for distribution as dividend.

As per our report of even date.
For S Z DESHMUKH & CO.
Chartered Accountants

For and on behalf of the Board

D. U. KADAM
Partner
ICAI Membership No: 125886

B. S. KAKADE
Director
DIN 06383819

D. A. PEDNEKAR
Director
DIN 07639771

Place : Mumbai
Date : July 3, 2018

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1

Significant accounting policies

1.1 Reporting entity

Value Industries Limited is a company domiciled in India, with its registered office situated at 15 KM Stone, Village Chittegaon, Taluka Paithan, District Aurangabad, Maharashtra, Pincode 431105. The Company has been incorporated under the provisions of Indian Companies Act, 1956. The entity is primarily involved in manufacturing and trading of consumer durables and electronic components.

1.2 Basis of preparation

A. Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

These financial statements for the year ended March 31, 2018 are the first financial statements prepared under Ind AS. For all periods upto and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The financial statements for the year ended March 31, 2017 and the opening Balance Sheet as at April 1, 2016 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Equity, Total Comprehensive Income and Cash Flows are provided.

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at April 1, 2016 being the 'date of transition to Ind AS'.

The financial statements of the Company for the year ended March 31, 2018 were approved for issue in accordance with the resolution of the Board of Directors on July 3, 2018. Details of accounting policies are included in Note 1.3.

B. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the entity's functional currency. All amounts have been rounded off to the nearest millions with two decimals unless otherwise indicated.

C. Basis of measurement

The financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value:

Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);

- Net defined benefit (asset) / liability – fair value of plan assets less present value of defined benefit obligations.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

D. Key estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:

Note 1.3.A – Estimation of rate of interest for discounting of long-term financial assets;

Note 1.3.B – Estimation of rate of interest for discounting of long-term financial liabilities;

Note 1.3.C – Useful life of property, plant and equipment and intangible assets.

Assumptions and estimation uncertainties:

Note 1.3.M – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

Note 1.3.J – measurement of defined benefit obligations: key actuarial assumptions;

Note 1.3.K – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

E. Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for both financial and non-financial instruments.

The Company has an established control framework with respect to the measurement of fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The management regularly reviews significant unobservable inputs and valuation adjustments.

If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The entity has recognised certain assets at fair value and further information is included in the relevant notes.

F. Current and non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current.

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realised within twelve months after the Balance Sheet date; or
- d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the Balance Sheet date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in, the entity's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within twelve months after the Balance Sheet date; or
- d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the Balance Sheet date.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current, non-current classification of assets and liabilities.

1.3 Significant accounting policies

A. Financial assets

i) Initial recognition and measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the Statement of Profit and Loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

ii) Classification and subsequent measurement

Financial assets are subsequently classified and measured at

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Management determines the classification of its financial assets at the time of initial recognition or, where applicable, at the time of reclassification. Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

iii) Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the Company's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

- a) Measured at amortised cost: Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.
- b) Measured at fair value through other comprehensive income: Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'Other Income' in the Statement of Profit and Loss.
- c) Measured at fair value through profit or loss: A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'Other Income' in the Statement of Profit and Loss. In addition, the Company may, at initial recognition, irrevocably designate a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

iv) Equity Instruments

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

v) Trade Receivables

Trade receivables are initially recognised at fair value. Subsequently, it recognises impairment loss allowance based on lifetime expected credit losses at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits and expectations about future cash flows. The impairment losses and reversals are recognised in the Statement of Profit and Loss.

vi) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset and associated liability for any amounts it may have to pay.

vii) Impairment of Financial Asset

Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security deposit collected etc. and expectations about future cash flows.

The Fixed Assets or a group of assets (cash generating unit) 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.

B. Financial liabilities

i) Initial recognition, measurement and classification

Financial liabilities are classified as either held at a) fair value through profit or loss, or b) at amortised cost. Management determines the classification of its financial liabilities at the time of initial recognition or, where applicable, at the time of reclassification. The classification is done in accordance with the substance of the contractual arrangement and the definition of a financial liability and an equity instruments.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities at amortised cost includes loan and borrowings, interest accrued but not due on borrowings, trade and other payables. Such financial liabilities are recognised initially at fair value minus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

ii) Financial guarantee contracts

The Company has elected to account all its financial guarantee contracts as financial instruments as specified in Ind AS 109 on Financial Instruments. The company recognises the commission income on such financial guarantees and accounts for the same in Profit and Loss account over the tenure of the financial guarantee.

iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

C. Property, Plant and Equipment

i) Recognition and measurement

Items of property, plant and equipment (PPE) are measured at original cost net of tax / duty credit availed less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items. If significant parts of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Plant and Equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress". Capital work in progress is carried at cost, comprising of direct cost, attributable interest and related incidental expenditure.

Advances paid towards the acquisition of PPE outstanding at each reporting date are classified as capital advances under Other Non-Current Assets.

PPE are eliminated from financial statement on disposal and gains or losses arising from disposal are recognised in the Statement of Profit and Loss in the year of occurrence.

ii) Transition to Ind AS

On transition to Ind AS certain items of property, plant and equipment have been fair valued and such fair value is considered as deemed cost on the transition date.

The Company has elected to apply the exemption available under Ind AS 101 to continue the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

iii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the entity.

iv) Depreciation

The Company provides depreciation on property, plant and equipment, to the extent of depreciable amount on straight line method, based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except depreciation on plant and machinery used in Refrigerator and Washing Machine Divisions which has been provided on written down value method based on useful life of 13 years as against the useful life of 15 years as prescribed in Schedule II to the Companies Act, 2013. Assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.

The estimated useful life of items of property, plant and equipment for the current and comparative period are as follows:

Asset	Management estimate of useful life	Useful life as per Schedule II
Buildings	30	30
Plant and Machinery (Refrigerator and Washing Machine divisions)	13	15
Plant and Machinery (Others)	15	15
Furniture and Fixtures	10	10
Computers	3	3
Electrical Installation	10	10
Office Equipments	5	5
Vehicles	10	10

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

D. Intangible assets

i) Recognition and measurement

Intangible assets are recognised when it is probable that future economic benefits that are attributable to concerned assets will flow to the Company and the cost of the assets can be measured reliably.

Intangible assets are initially measured at cost and are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

iii) Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at April 1, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

iv) Amortisation

Intangible assets are amortised using the straight-line method over a period of five years.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

v) Expenditure on research and development

Revenue expenditure pertaining to research and development is charged to revenue under the respective heads of account in the period 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.

E. Inventories

Inventories are measured at the lower of cost or net realisable value. The cost of inventories is determined using the weighted average method.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

F. Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. Impairment loss recognised in respect of a CGU is allocated to the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

G. Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

- a) Revenue from sale of goods in the course of ordinary activities is recognised when property in the goods or all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection. The amount recognised as revenue is exclusive of sales tax, value added taxes (VAT) and good and service tax, and is net of returns, trade discounts and quantity discounts.
- b) Insurance, Duty Drawback and other claims are accounted for as and when admitted by the appropriate authorities.
- c) Service income are recognised on the basis of completion of service as per contractual terms.

H. Recognition of dividend income, interest income or expense

Dividend income is recognised in Statement of Profit and Loss on the date on which the Company's right to receive payment is established.

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate which exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset. When calculating the EIR the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayments, extensions, call and similar options). The expected credit losses are considered if the credit risk on that financial instrument as increased significantly since initial recognition.

I. Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange differences are recognised in the Statement of Profit and Loss.

J. Employee benefits

i) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc., are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the related service.

ii) Provident Fund - Defined Contribution Plan

The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees.

iii) Gratuity - Defined Benefit Plan

The Company provides for gratuity to all the eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, on death while in employment, or termination of employment for an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs on completion of five years of service.

Liability in respect of gratuity is determined using the projected unit credit method with actuarial valuations as on the Balance Sheet date and gains/losses are recognised immediately in the Other Comprehensive Income. Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in Statement of Profit and Loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv) 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 recognised immediately in the Statement of Profit and Loss.

K. Provisions (other than for employee benefits)

- i) Provisions are recognized when the Company has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. The expenses relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

- ii) Warranties

Provision for the estimated liability in respect of warranty on sale of consumer durable products is made in the year in which the revenues are recognised, based on technical evaluation and past experience. Warranty provision is accounted as current and non current provision. Non current provision is discounted to its present value and the subsequent unwinding effect is passed through Statement of Profit and Loss account under Finance Costs.

L. Contingent liabilities and contingent assets

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

Disputed demands in respect of customs duty, income tax, sales tax and others 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

M. Income Tax

Income tax expense comprises current and deferred tax and is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or in OCI.

i) Current Tax

Current tax is the amount of tax payable (recoverable) in respect of the taxable profit / (tax loss) for the year determined in accordance with the provisions of the Income-tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

ii) Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Taxes relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the Statement of Profit and Loss.

Deferred tax assets and liabilities are offset only if:

- a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

N. Borrowing Costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of a qualifying asset which necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of that asset until such time as the assets are substantially ready for their intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

O. Government Grant

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

P. Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the reporting year. Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive. The Company has no potentially dilutive equity shares.

Q. Excise and Customs Duty

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

R. CENVAT/Value Added Tax

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

S. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand, bank balances and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

T. Prior Period Items

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

U. New standards and interpretations not yet adopted

Ind AS 115 - Revenue from Contracts with Customer (the new revenue recognition standard) has been notified by Ministry of Corporate Affairs (MCA) on March 28, 2018 and will be effective from April 01, 2018. Hence, from April 1, 2018, revenue recognition of the Company shall be driven by this standard. IND AS 115 provides guidance on how the entity shall recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This accounting change will bring about significant changes in the way companies recognise, present and disclose their revenue. The Company is currently evaluating the effect of this standard.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

Also Appendix B to Ind AS 21, foreign currency transactions and advance consideration was notified along with the same notification which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The Company does not expect any material impact on account of this change.

Explanation of transition to Ind AS:

Ind AS 101 requires an entity to reconcile equity and total comprehensive income for prior year. The following table represents the equity reconciliation from previous GAAP to Ind AS:

As stated in Note 1, these financial statements for the year ended March 31, 2018 are the first financial statement the Company has prepared in accordance with Ind AS. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

Mandatory Exceptions

1) Estimates

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

2) Classification and measurement of financial assets

As permitted under Ind AS 101, Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. In line with Ind AS 101, measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

Reconciliation of statement of Equity as previously reported under IGAAP and Ind AS

(Rs. in Million)

Particulars	Note No.	As at	
		March 31, 2017	April 1, 2016
Total Equity as per previous GAAP		1,860.01	2,450.09
Fair valuation of property, plant and equipment	1	3,016.12	3,044.92
Fair valuation of investments	2	(259.57)	(259.82)
Provision for warranty	4	2.10	-
Guarantee commission	4	1.42	-
Deferred tax impact on above adjustments	3	(826.87)	(836.38)
Total Equity as per Ind AS		3,793.21	4,398.81

Reconciliation of total comprehensive income as previously reported under IGAAP and Ind AS

(Rs. in Million)

Particulars	Note No.	For the year ended March 31, 2017
Net profit after tax as per previous Indian GAAP		(590.08)
Incremental depreciation on account of fair valuation of property, plant and equipment	1	(28.80)
Fair valuation of investments	2	0.25
Provision for warranty	4	2.10
Guarantee commission	4	1.42
Deferred Tax	3	9.51
Total comprehensive income for the year as per Ind AS		(605.60)

Reconciliation of cash flows:

The transition from previous GAAP to Ind AS has not had a material impact on the statement of cash flows.

Notes to the reconciliation:

1) Property, Plant and Equipment

On the date of transition the company has chosen to reflect fair value as the deemed cost of Property, Plant and Equipment.

2) Fair value movement of FVOCI investments

Under previous GAAP, non-current investments were carried at cost less provision for diminution (other than temporary). Under Ind AS, investment in equity shares (other than subsidiaries and associates) are measured at fair value, with fair value changes being routed through the other comprehensive income.

3) Deferred Tax

Previous GAAP requires deferred tax to be recognised with reference to the income statement approach. Ind AS 12 requires entities to determine deferred taxes with reference to the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax related adjustments in relation to certain items such as fair valuation of land, indexation benefit on land, fair value of investments which were not required to be considered under the income statement approach.

4) Others

Other impacts include impacts on Financial Guarantee and Warranty expenses. At the date of transition all the financial guarantees have been identified as financial instruments as per Ind AS 109. Commission income accretion on these guarantees has been recorded under Deferred Commission income and subsequent unwinding is recorded through Profit and Loss.

Extended warranty provision has been reflected as non current warranty provision which was earlier a part of current provision under IGAAP. Subsequently the non current provision is discounted to its present value and subsequent unwinding of the interest cost is adjusted through the statement of profit and loss.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

Note 2
Property, Plant and Equipment

(Rs. in Million)

Particulars	Freehold Land	Building	Plant and Machinery	Electrical Installation	Computers	Furniture and Fixtures	Office Equipments	Vehicles	Total	Capital work-in-progress
Deemed Cost as at April 1, 2016	1,874.26	2,799.38	16,055.34	108.08	39.83	123.93	35.53	12.96	21,049.31	186.98
Additions	-	187.99	688.64	1.16	0.12	-	-	-	877.91	-
Disposals	-	-	8.83	-	-	-	-	-	8.83	90.33
Cost as at March 31, 2017 (A)	1,874.26	2,987.37	16,735.15	109.24	39.95	123.93	35.53	12.96	21,918.39	96.65
Accumulated depreciation as at April 1, 2016	-	575.46	11,731.37	96.57	38.85	55.43	26.98	10.60	12,535.26	-
Depreciation for the year	-	61.25	643.34	1.56	0.36	9.96	3.72	0.59	720.78	-
Disposals	-	-	8.14	-	-	-	-	-	8.14	-
Accumulated depreciation as at March 31, 2017 (B)	-	636.71	12,366.57	98.13	39.21	65.39	30.70	11.19	13,247.90	-
Net carrying amount as at March 31, 2017 (A) - (B)	1,874.26	2,350.66	4,368.58	11.11	0.74	58.54	4.83	1.77	8,670.49	96.65
Cost as at April 1, 2017	1,874.26	2,987.37	16,735.15	109.24	39.95	123.93	35.53	12.96	21,918.39	96.65
Additions	-	-	255.62	1.29	2.27	4.21	0.07	-	263.46	-
Disposals	-	-	6,340.03	93.59	36.88	29.35	16.94	7.70	6,524.49	96.65
Cost as at March 31, 2018 (A)	1,874.26	2,987.37	10,650.74	16.94	5.34	98.79	18.66	5.26	15,657.36	-
Accumulated depreciation as at April 1, 2017	-	636.71	12,366.57	98.13	39.21	65.39	30.70	11.19	13,247.90	-
Depreciation for the year	-	61.65	765.55	1.71	0.79	10.30	2.14	0.59	842.73	-
Disposals	-	-	6,047.34	91.79	36.56	28.64	16.78	7.63	6,228.74	-
Accumulated depreciation as at March 31, 2018 (B)	-	698.36	7,084.78	8.05	3.44	47.05	16.06	4.15	7,861.89	-
Net carrying amount as at March 31, 2018 (A) - (B)	1,874.26	2,289.01	3,565.96	8.89	1.90	51.74	2.60	1.11	7,795.47	-

The Company has decided to reflect fair value for Freehold Land and Building as the deemed cost as per Ind AS 101. The fair valuation impact for April 1, 2016 is Rs. 1,866.12 Million for Freehold Land and Rs. 1,178.80 Million for Building. The numbers are gross and do not include tax effect.

Note 3
Other Intangible Assets

(Rs. in Million)

Particulars	Computer Software	Total
Gross Block as on March 31, 2016	38.02	38.02
Accumulated depreciation	34.76	34.76
Net block as on March 31, 2016	3.26	3.26
Deemed Cost as at April 1, 2016	3.26	3.26
Additions	-	-
Disposals/ adjustments	-	-
Cost as at March 31, 2017 (A)	3.26	3.26
Depreciation for the year	3.25	3.25
Disposals	-	-
Accumulated depreciation as at March 31, 2017 (B)	3.25	3.25
Net carrying amount as at March 31, 2017 (A) - (B)	0.01	0.01
Cost as at April 1, 2017	3.26	3.26
Additions	-	-
Disposals/ adjustments	-	-
Cost as at March 31, 2018 (A)	3.26	3.26
Accumulated depreciation as at April 1, 2017	3.25	3.25
Depreciation for the year	0.01	0.01
Disposals	-	-
Accumulated depreciation as at March 31, 2018 (B)	3.26	3.26
Net carrying amount as at March 31, 2018 (A) - (B)	-	-

The Company has availed the deemed cost exemption in relation to the intangible assets on the date of transition and hence the net block carrying amount as per previous GAAP has been considered as the gross block carrying amount as on April 1, 2016 (transition date).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

	(Rs. in Million)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Note 4			
Financial Assets - Non Current			
Investments			
A. Investments at Fair Value through Profit or Loss			
<i>i) Quoted</i>			
Investments in Equity Instruments	-	-	-
<i>ii) Unquoted</i>			
Investments in Equity Instruments	-	-	-
Investments in Mutual Funds	0.50	0.50	0.50
B. Investments at Fair Value through Other comprehensive income			
<i>i) Quoted</i>			
Investments in Equity Instruments	5.08	7.80	4.67
<i>ii) Unquoted</i>			
Investments in Equity Instruments	60.51	94.15	94.16
Total Non-Current Investments	66.09	102.45	99.33
Aggregate amount of Quoted Investments	5.08	7.80	4.67
Aggregate Market value of Quoted Investments	5.08	7.80	4.67
Aggregate amount of Unquoted Investments	61.01	94.65	94.66
Note 5			
Financial Assets - Non Current			
Loans			
Sundry Deposits	2.56	2.61	2.61
	2.56	2.61	2.61
Note 6			
Financial Assets - Non Current			
Others			
Bank balances other than (10a) below			
Fixed deposits with maturity more than 12 months (Held as margin money for credit facilities and other commitments)	8.97	15.14	39.58
	8.97	15.14	39.58
Note 7			
Other non-current assets			
Capital advances	1.14	2.26	0.28
Amount paid under protest to Government Authorities	35.77	27.96	31.63
	36.91	30.22	31.91
Note 8			
Inventories			
(valued at lower of cost or net realisable value)			
Raw Materials including Consumables, Stores and Spares	879.38	3,946.15	4,371.25
Materials in Transit and in Bonded Warehouse	128.94	182.71	35.24
Work-in-Process	17.10	1,383.35	1,423.84
Finished Goods and Stock in Trade	0.16	349.83	314.60
	1,025.58	5,862.04	6,144.93
Note 9			
Financial Assets - Current			
Trade receivables			
Unsecured considered good	2,132.48	2,453.14	2,460.64
Considered Doubtful	-	-	-
	2,132.48	2,453.14	2,460.64
Less: Provision for doubtful debts	-	-	-
	2,132.48	2,453.14	2,460.64

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

(Rs. in Million)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Note 10a			
Financial Assets - Current			
Cash and cash equivalents			
Cash on hand	0.38	0.71	0.52
Balance with banks in current accounts	22.90	16.47	77.39
	23.28	17.18	77.91
Note 10b			
Financial Assets - Current			
Bank balances other than (10a) above			
In Dividend Warrant Accounts	2.07	4.06	5.28
In Fixed Deposits - Maturity 12 months or less (Held as margin money for credit facilities and other commitments)	15.65	122.62	107.13
	17.72	126.68	112.41
Note 11			
Financial Assets - Current			
Loans (Unsecured, considered good, unless otherwise specified)			
Other Short Term Loans and Advances	2,675.96	218.45	354.12
	2,675.96	218.45	354.12
Note 12			
Financial Assets - Current			
Others			
Insurance Claim Receivable	-	0.38	-
	-	0.38	-
Note 13			
Other current assets			
Others	178.65	227.47	93.29
	178.65	227.47	93.29
Note 14			
Share Capital			
Authorised			
55,000,000 Equity Shares of Rs. 10/- each	550.00	550.00	550.00
7,500,000 Redeemable Preference Shares of Rs. 100/- each	750.00	750.00	750.00
	1,300.00	1,300.00	1,300.00
Issued, Subscribed and Paid-up			
39,185,675 Equity Shares of Rs. 10/- each fully paid-up	391.86	391.86	391.86
	391.86	391.86	391.86

i) Reconciliation of the number of Shares: Equity Shares of Rs. 10/- each

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	Rs. in Million	No. of Shares	Rs. in Million	No. of Shares	Rs. in Million
At the beginning of the year	3,91,85,675	391.86	3,91,85,675	391.86	3,91,85,675	391.86
Issued during the year	-	-	-	-	-	-
At the end of the year	3,91,85,675	391.86	3,91,85,675	391.86	3,91,85,675	391.86

ii) Rights, preference and restrictions:

- The Company has only one class of equity shares having par value of Rs. 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)

iii) Details of Shareholders holding more than 5% Shares:

Name of Shareholders	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
a) Dome-Bell Electronics India Private Limited	44,98,495	11.48	44,98,495	11.48	44,98,495	11.48
b) Waluj Components Private Limited	26,06,478	6.65	26,06,478	6.65	26,06,478	6.65
c) Videocon Industries Limited	19,71,973	5.03	19,71,973	5.03	19,71,973	5.03

(Rs. in Million)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Note 15			
Other equity			
Capital Reserve	0.64	0.64	0.64
Capital Redemption Reserve	780.77	780.77	780.77
Securities Premium Account	899.03	899.03	899.03
General Reserve	1,625.62	1,625.62	1,625.62
Equity instruments through OCI	(301.42)	(265.37)	(265.62)
Retained Earnings	(5,951.94)	360.66	966.51
	(2,947.30)	3,401.35	4,006.95

Capital Reserve

Capital reserve represents subsidy received, reserves transferred on account of amalgamation.

Capital Redemption Reserve

Capital Redemption reserve represents amount set aside by the company for future redemption of capital.

Securities Premium Account

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. The reserve is utilised in accordance with the provisions of the Companies Act.

General Reserve

The Company has transferred a portion of the net profit of the Company to general reserve pursuant to the earlier provisions of Companies Act 1956.

Equity instruments through OCI

This account represents the fair value changes in the investments calculated at every reporting date as per Ind AS 109.

Retained Earnings

This account includes the amount of profit and loss account transferred to the equity.

(Rs. in Million)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Note 16			
Financial Liabilities			
Non current borrowings			
Secured			
Rupee Term Loans from Banks	-	2,071.85	2,164.51
	-	2,071.85	2,164.51
Note 17			
Provisions			
Provision for Employee Benefits:			
Gratuity	1.31	4.97	8.08
Provision for Leave Encashment	4.33	6.57	5.13
Others:			
Provision for Warranty and Maintenance expenses	1.68	1.49	-
	7.32	13.03	13.21
Note 18			
Deferred tax liabilities (net)			
Deferred tax liabilities (net)	482.14	1,047.25	1,316.56
	482.14	1,047.25	1,316.56
Note 19			
Other Non-current liabilities			
Grant for Ozone Project	24.23	29.17	35.38
	24.23	29.17	35.38

The Company has received Grant from Ozone cell Ministry of Environment and Forests Government of India for financing the machinery under the Ozone Project. As per the accounting policy followed by the Company, the grant received for Ozone Projects has been treated as "deferred income" to be recognised in statement of Profit and Loss over the useful life of the assets under the Ozone Project.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

(Rs. in Million)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Note 20			
Financial Liabilities			
Current Borrowings			
a) Secured			
Rupee Term Loan from Banks	2,813.08	-	-
Working Capital Loans from Banks	5,706.48	4,395.09	4,326.45
b) Unsecured			
Loans repayable on demand: From Others	4,400.00	4,400.00	3,900.00
	12,919.56	8,795.09	8,226.45

Secured Loans:

i) Rupee Term Loans from Banks:

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

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

Rupee Term Loans from Banks are secured by first *pari-passu* charge on all present and future tangible/intangible assets (excluding the Identified Properties) 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, 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. The said loans which were classified as Non-Current Borrowings till previous year have now been classified as Short Term Borrowings, as the banks have now raised the demands for entire loan amount. [Also refer Note No. 39]

ii) 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 guarantees of Mr. Venugopal N. Dhoot, Mr. Rajkumar N. Dhoot and Mr. Pradipkumar N. Dhoot.

(Rs. in Million)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Note 21			
Financial Liabilities-Current			
Trade payables			
Total outstanding due to micro and small enterprises (Refer Note 41)	5.71	26.69	110.77
Total outstanding due to creditors other than micro and small enterprises	334.08	1,677.19	1,588.56
	339.79	1,703.88	1,699.33
Note 22			
Financial Liabilities- Current			
Others			
Current maturities of Long Term Borrowings	-	127.31	98.22
Bank Overdraft as per books	-	0.44	-
Unclaimed Dividend	2.07	4.06	5.28
Other Payables	2,605.76	61.80	66.20
	2,607.83	193.61	169.70
Note 23			
Other current liabilities			
Deferred guarantee income	-	1.45	-
Others	137.49	162.94	74.34
	137.49	164.39	74.34

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

(Rs. in Million)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Note 24			
Provisions			
Provision for Employee Benefits:			
Gratuity	-	3.34	3.79
Provision for Leave Encashment	0.69	0.43	0.40
Others:			
Provision for Warranty and Maintenance expenses	44.54	50.69	58.71
	45.23	54.46	62.90

	As at March 31, 2018	As at March 31, 2017
Movement of Provision for warranty and maintenance expenses		
At the commencement of the year	52.18	58.71
Provision made during the year	48.13	54.28
Utilisation of Provisions	51.48	56.11
Discounting of non current provision	(0.19)	2.10
Unused amount reversed during the year	2.80	2.60
At the end of the year	46.22	52.18

Provision for warranty and maintenance expenses

A provision is estimated for expected warranty claims in respect of products sold on the basis of a technical evaluation and past experience regarding failure trends of products and costs of rectification and replacement. The costs include expenses to be incurred for repairs, replacement, material cost and servicing. It is expected that this expenditure will be incurred over the contractual warranty period that is usually one year and for certain of cases extended warranty for two to five years.

(Rs. in Million)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Note 25		
Revenue from Operations		
Sale of Electrical and Electronic items	2,508.95	11,821.07
Income from Services	3.92	20.49
Other Operating Revenue	12.30	4.64
	2,525.17	11,846.20
Note 26		
Other income		
Interest Income	8.41	18.95
Income from Investments and Securities Division	22.17	-
Exchange Rate Fluctuation	7.36	14.09
Insurance Claim Received	-	0.42
Other Non Operating Income	11.18	8.02
Guarantee Commission	1.45	1.42
	50.57	42.90
Note 27		
Cost of materials consumed		
Imported	142.89	612.19
Indigenous	4,094.26	4,002.71
	4,237.15	4,614.90
Note 28		
Purchase of stock-in-trade		
Electrical and Electronic items	807.11	5,055.12
	807.11	5,055.12

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

(Rs. in Million)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Note 29		
Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Opening Inventory		
Finished Goods and Stock-in-Trade	349.83	314.60
Work-in-Process	1,383.35	1,423.84
	1,733.18	1,738.44
Closing Inventory		
Finished Goods and Stock-in-Trade	0.16	349.83
Work-in-Process	17.10	1,383.35
	17.26	1,733.18
Changes in inventory	1,715.92	5.26
Note 30		
Employee Benefits Expenses		
Salary, Wages and Other Benefits	152.38	240.62
Contribution to Provident Fund and Other Funds	16.70	19.07
Staff Welfare Expenses	7.21	11.78
	176.29	271.47
Note 31		
Finance Costs		
Interest Expenses	1,011.59	957.50
Other Borrowing Costs	6.59	22.35
	1,018.18	979.85
Note 32		
Other Expenses		
Power, Fuel and Water	25.18	61.34
Rent	1.03	1.18
Repairs to Building	0.75	3.89
Repairs to Plant and Machinery	7.11	12.71
Other Repairs and Maintenance	0.82	2.16
Insurance	3.04	4.37
Rates and Taxes	3.48	29.22
Carriage and Cartage	53.26	164.59
Advertisement, Publicity and Sales Promotion	0.23	0.40
Bank Charges	17.18	36.84
Payment to Auditors*	1.31	3.13
Directors' Sitting Fees	0.08	0.08
Loss on Sale of Fixed Assets	295.75	0.08
Legal and Professional Charges	4.13	15.25
Loss from Investments and Securities Division	-	0.13
Royalty	-	9.13
Warranty and Maintenance	83.77	106.52
Office and General Expenses	21.48	33.28
	518.60	484.30
*Payment to Auditors:		
a) Statutory Audit Fees	1.14	2.29
b) Tax Audit Fees	0.15	0.15
c) Other Services	-	0.66
d) Out of Pocket Expenses	0.02	0.03
	1.31	3.13

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

(Rs. in Million)

Note 33

Income Taxes

a) Amounts recognised in profit and loss

Current income tax

Deferred income tax liability / (asset), net

Origination and reversal of temporary differences

Deferred tax expense

Tax expense for the year

	For the year ended March 31, 2018	For the year ended March 31, 2017
	-	-
	(566.27)	(268.56)
	(566.27)	(268.56)
	(566.27)	(268.56)
	(1.16)	0.75
	-	-
	(1.16)	0.75
	(6,881.06)	(872.98)
	34.61%	34.61%
	(2,381.53)	(302.14)
	1,815.26	33.58
	(566.27)	(268.56)

b) Amounts recognised in other comprehensive income

Deferred tax on remeasurements of the defined benefit plans

Deferred tax on equity instruments FVTOCI

c) Reconciliation of effective tax rate

Profit before tax

Tax using the Company's domestic tax rate

Effective tax amount

Deferred tax not created on Business loss

Deferred Tax assets and liabilities are attributable to the following:

(Rs. in Million)

Particulars

Particulars	Net deferred Tax (Asset)/ liabilities		
	March 31, 2018	March 31, 2017	April 1, 2016
Property, Plant and Equipment	1,481.31	1,662.72	1,721.69
MAT Credit Entitlement	(1.72)	(1.72)	(1.72)
Fair valuation of investments through OCI	5.75	5.78	5.79
Deferred Guarantee Commission	0.50	0.50	-
Warranty Provision	0.66	0.73	-
Expenses allowable for deduction in future years	(255.95)	(54.85)	(20.94)
Related to Unabsorbed Depreciation and Losses	(740.40)	(556.27)	(388.26)
Due to effect of Income Computation and Disclosure Standards	(8.01)	(9.64)	-
Net deferred tax (assets) / liabilities	482.14	1,047.25	1,316.56

Movement in Temporary differences:

(Rs. in Million)

Particulars	Balance as at	Recognised in	Recognised in	Balance as at	Recognised in	Recognised in	Balance as at
	April 1, 2016	Profit and Loss during 2016-17	OCI during 2016-17	March 31, 2017	Profit and Loss during 2017-18	OCI during 2017-18	March 31, 2018
Property, Plant and Equipment	1,721.69	(58.97)		1,662.72	(181.41)		1,481.31
MAT Credit Entitlement	(1.72)	-		(1.72)	-		(1.72)
Fair valuation of investments through OCI	5.79	(0.01)		5.78	(0.03)		5.75
Deferred Guarantee Commission	-	0.50		0.50	-		0.50
Warranty Provision	-	0.73		0.73	(0.07)		0.66
Expenses allowable for deduction in future years	(20.94)	(33.91)		(54.85)	(201.10)		(255.95)
Related to Unabsorbed Depreciation and Losses	(388.26)	(168.01)		(556.27)	(184.13)		(740.40)
Due to effect of Income Computation and Disclosure Standards	-	(9.64)		(9.64)	1.63		(8.01)
Remeasurements of the defined benefit plans	-	0.75	(0.75)	-	(1.16)	1.16	-
Total	1,316.56	(268.56)	(0.75)	1,047.25	(566.27)	1.16	482.14

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

Note 34

Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the net profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders (after adjusting profit impact of dilutive potential equity shares, if any) by the aggregate of weighted average number of Equity shares outstanding during the year and the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Basic and diluted earnings per share for ordinary shareholders		
a) Net Profit/(Loss) for the year attributable to Equity Shareholders (Rs. Million)	(6,314.79)	(604.42)
b) Weighted average Number of Equity Shares (Nos.)	3,91,85,675	3,91,85,675
c) Basic and Diluted Earnings per Share of Rs. 10/- each (Rs.)	(161.15)	(15.42)
d) Nominal value of Equity Share (Rs.)	10.00	10.00

Note: The Company did not have any potentially dilutive securities in any of the above reporting period presented.

Note 35

Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if their carrying amount is a reasonable approximation of fair value.

(Rs. in Million)

As at March 31, 2018	Carrying Amount				Fair Value		
	Total	Amortised Cost	FVTPL	FVTOCI	Level 1	Level 2	Level 3
<u>Non-current financial assets</u>							
Investments	66.09		0.50	65.59	5.08		61.01
Loans	2.56	2.56				2.56	
Others	8.97	8.97				8.97	
<u>Current financial assets</u>							
Trade receivables	2,132.48	2,132.48					
Cash and cash equivalents	23.28	23.28					
Other bank balances	17.72	17.72					
Loans	2,675.96	2,675.96					
Other current financial assets	-	-					
	4,927.06	4,860.97	0.50	65.59	5.08	11.53	61.01
<u>Non-current financial liabilities</u>							
Borrowings	-	-					
<u>Current financial liabilities</u>							
Borrowings	12,919.56	12,919.56					
Trade payables	339.79	339.79					
Others	2,607.83	2,607.83					
	15,867.18	15,867.18	-	-	-	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

(Rs. in Million)

As at March 31, 2017	Carrying Amount				Fair Value		
	Total	Amortised Cost	FVTPL	FVTOCI	Level 1	Level 2	Level 3
Non-current financial assets							
Investments	102.45		0.50	101.95	7.80		94.65
Loans	2.61	2.61				2.61	
Others	15.14	15.14				15.14	
Current financial assets							
Trade receivables	2,453.14	2,453.14					
Cash and cash equivalents	17.18	17.18					
Other bank balances	126.68	126.68					
Loans	218.45	218.45					
Other current financial assets	0.38	0.38					
	2,936.03	2,833.58	0.50	101.95	7.80	17.75	94.65
Non-current financial liabilities							
Borrowings	2,071.85	2,071.85				2,071.85	
Current financial liabilities							
Borrowings	8,795.09	8,795.09					
Trade payables	1,703.88	1,703.88					
Others	193.61	193.61					
	12,764.43	12,764.43			-	2,071.85	-

(Rs. in Million)

As at April 1, 2016	Carrying Amount				Fair Value		
	Total	Amortised Cost	FVTPL	FVTOCI	Level 1	Level 2	Level 3
Non-current financial assets							
Investments	99.33		0.50	98.83	4.67		94.66
Loans	2.61	2.61				2.61	
Others	39.58	39.58				39.58	
Current financial assets							
Trade receivables	2,460.64	2,460.64					
Cash and cash equivalents	77.91	77.91					
Other bank balances	112.41	112.41					
Loans	354.12	354.12					
Other current financial assets	-	-					
	3,146.60	3,047.27		98.83	4.67	42.19	94.66
Non-current financial liabilities							
Borrowings	2,164.51	2,164.51				2,164.51	
Current financial liabilities							
Borrowings	8,226.45	8,226.45					
Trade payables	1,699.33	1,699.33					
Others	169.70	169.70					
	12,259.99	12,259.99			-	2,164.51	-

- a. The fair value of cash and cash equivalents, other bank balances, trade receivables, trade payables approximated their carrying value largely due to short term maturities of these instruments.
- b. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.
- c. Measurement of fair values : The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique

Level - 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities

Level - 2 : inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

Level - 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Type	Valuation technique
Investments in quoted equity instruments	Listing price as fair value on the date of reporting
Investments in unquoted equity instruments	

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- i) Liquidity risk;
- ii) Credit risk; and
- iii) Market risk

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and Board of Directors standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

i) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next six months. The Company also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows.

(Rs. in Million)

As at March 31, 2018	Carrying Amount	Contractual cash flows				
		Total	Upto 1 Year	2 to 3 Years	4 to 5 Years	More than 5 Years
Non-derivative financial liabilities						
Current, non derivative financial liabilities						
Term Loans from Banks	2,813.08	2,813.08	2,813.08			
Working Capital Loans from Banks	5,706.48	5,706.48	5,706.48			
Loan on Demand from others	4,400.00	4,400.00	4,400.00			
Trade Payables	339.79	339.79	339.79			
Other Current Liabilities	2,607.83	2,607.83	2,607.83			
Total	15,867.18	15,867.18	15,867.18	-	-	-

(Rs. in Million)

As at March 31, 2017	Carrying Amount	Contractual cash flows				
		Total	Upto 1 Year	2 to 3 Years	4 to 5 Years	More than 5 Years
Non-derivative financial liabilities						
Non current, non derivative financial liabilities						
Term Loans from Banks (Including current Maturity of Long term debt)	2,199.16	2,199.16	127.31	879.81	1,101.85	90.19
Current, non derivative financial liabilities						
Working Capital Loans from Banks	4,395.09	4,395.09	4,395.09			
Loan on Demand from others	4,400.00	4,400.00	4,400.00			

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

(Rs. in Million)

As at March 31, 2017	Carrying Amount	Contractual cash flows				
		Total	Upto 1 Year	2 to 3 Years	4 to 5 Years	More than 5 Years
Trade Payables	1,703.88	1,703.88	1,703.88			
Other Current Liabilities	66.30	66.30	66.30			
Total	12,764.43	12,764.43	10,692.58	879.81	1,101.85	90.19

(Rs. in Million)

As at April 1, 2016	Carrying Amount	Contractual cash flows				
		Total	Upto 1 Year	2 to 3 Years	4 to 5 Years	More than 5 Years
Non-derivative financial liabilities						
Non current, non derivative financial liabilities						
Term Loans from Banks	2,262.73	2,262.73	98.22	393.72	1,157.50	613.29
(Including current Maturity of Long term debt)						
Current, non derivative financial liabilities						
Working Capital Loans from Banks	4,326.45	4,326.45	4,326.45			
Loan on Demand from others	3,900.00	3,900.00	3,900.00			
Trade Payables	1,699.33	1,699.33	1,699.33			
Other Current Liabilities	71.48	71.48	71.48			
Total	12,259.99	12,259.99	10,095.48	393.72	1,157.50	613.29

ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

a) Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company has a policy under which each new customer is analysed individually for creditworthiness before offering credit period and delivery terms and conditions. The Company makes specific provisions against such trade receivables wherever required and monitors the same at periodic intervals.

The following table provides information about the exposure to credit risk for trade receivables:

(Rs. in Million)

	Gross carrying amount		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Past due not impaired			
Past due 1-30 days	77.53	871.77	906.34
Past due 31-60 days	226.62	793.31	766.57
Past due 61-90 days	22.19	572.03	551.13
Past due 91-120 days	34.68	214.52	194.07
Past due 121-180 days	60.50	-	24.91
More than 180 days	1,710.96	1.51	17.62
Total	2,132.48	2,453.14	2,460.64

Management has analysed the debtors outstanding as of March 31 2018 and concluded that the history of bad debts on the profile of its current debtors is insignificant. The debtors which are outstanding as of March 31, 2018 have been generally regular in making payments and hence it does not expect significant impairment losses on its current profile of outstanding debtors. The debtors which have defaulted in the past are mostly on account of any litigations and its experience regarding bad debts has been very low in the past.

On the basis of above, no additional provision has been made in the books of accounts under Ind AS.

b) Cash and cash equivalents and Other bank balances

The Company held cash and cash equivalents and other bank balances of Rs 41.00 Million at March 31, 2018 (March 31, 2017: Rs. 143.86 Million and April 1, 2016: Rs. 190.32 Million). The cash and cash equivalents are held with banks.

c) Other financial assets

Other than trade and other receivables, the Company has no other financial assets that are past due not impaired.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. We are exposed to market risk primarily related to foreign exchange rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

a) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

b) Exposure to interest rate risk

Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company's is as follows.

	(Rs. in Million)		
Borrowings	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Variable rate borrowings			
Non current borrowings	-	2,071.85	2,164.51
Current maturities of long term borrowings	-	127.31	98.22
Current borrowings	12,919.56	8,795.09	8,226.45
Total	12,919.56	10,994.25	10,489.18

Fair value sensitivity analysis for fixed-rate instruments

The entity does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant. In cases where the related interest rate risk is capitalized to fixed assets, the impact indicated below may affect the Company's income statement over the remaining life of the related fixed assets.

	(Rs. in Million)	
Particulars	Profit or (Loss) before tax	
	100bp increase	100bp decrease
March 31, 2018	(129.20)	129.20
March 31, 2017	(109.94)	109.94
April 1, 2016	(104.89)	104.89

Note 36

Capital Management

The Company's policy is to maintain a strong capital base to sustain future development of the business.

For the purpose of the entity's capital management, capital includes issued capital and other equity reserves. The primary objective of the entity's Capital Management is to maximise shareholders value. The entity manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The entity monitors capital using Adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.

	(Rs. in Million)		
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non Current Borrowings	-	2,071.85	2,164.51
Current Borrowings	12,919.56	8,795.09	8,226.45
Current maturity of long term debt	-	127.31	98.22
Gross Debt	12,919.56	10,994.25	10,489.18
Less: Cash and cash equivalents	23.28	17.18	77.91
Less: Other bank balances	17.72	126.68	112.41
Adjusted Net Debt	12,878.56	10,850.39	10,298.86
Total Equity	(2,555.44)	3,793.21	4,398.81
Adjusted Net Debt to Total Equity	(5.04)	2.86	2.34

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

Note 37

Employee benefits

The Company contributes to the following post-employment plans in India.

A) Defined Contribution Plans:

The contributions paid/payable to Provident Fund, Employees State Insurance Scheme, Employees Pension Schemes, 1995 and other funds, are determined under the relevant approved schemes and/or statutes and are recognised as expense in the Statement of Profit and Loss during the period in which the employee renders the related service. There are no further obligations other than the contributions payable to the approved trusts/appropriate authorities.

Contribution to Provident and Other Funds of Rs. 16.70 Million (Previous year Rs. 19.07 Million) is recognised as an expense and shown under the head "Employee Benefits Expense" in the Statement of Profit and Loss.

B) Defined Benefit Plan: Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company is required to provide post employment benefit to its employees in the form of gratuity. The present value of the obligation under such defined benefit plan is determined at each balance sheet date based on an actuarial valuation using the projected unit credit method.

In accordance with Ind AS 19, the disclosures relating to defined benefit plan are provided below :

(Rs. in Million)

	Gratuity		Leave Encashment	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
i) Reconciliation of net defined benefit (asset) liability:				
<u>Reconciliation for present value of defined benefit obligations</u>				
Defined benefit obligation at the beginning of the year	48.54	43.95	7.00	5.53
Transfer in/(out) obligation	-	(1.57)	-	(0.29)
Current service cost	2.36	2.79	2.74	2.18
Interest cost	3.29	3.28	0.47	0.42
Past service cost	0.21	-	-	-
Actuarial (gains) losses recognised in Other Comprehensive Income				
arising from changes in financial assumptions	(1.01)	2.77	(0.08)	0.44
arising from changes in demographic assumptions	-	-	1.05	-
arising on account of experience changes	(1.92)	(0.23)	(3.79)	1.10
Benefits paid directly by the company	(2.02)	(2.45)	(2.37)	(2.38)
Return on plan assets excluding amounts included in interest income	(0.42)	(0.36)	-	-
Defined benefit obligation at the end of the year	49.45	48.54	5.02	7.00

(Rs. in Million)

	Gratuity	
	March 31, 2018	March 31, 2017
ii) Reconciliation of fair value of plan assets:		
At the beginning of the year	40.23	32.08
Interest income	2.82	2.50
Expected Return on Plan Assets	0.42	0.36
Employer contributions	4.67	7.07
Benefit paid	-	(1.78)
At the end of the year	48.14	40.23

(Rs. in Million)

	March 31, 2018	March 31, 2017	April 1, 2016
	iii) Amount recognised in Balance sheet:		
<u>Gratuity</u>			
Defined benefit obligation	49.45	48.54	43.95
Fair value of plan assets	(48.14)	(40.23)	(32.08)
Net defined benefit (obligation)/assets	1.31	8.31	11.87
<u>Leave Encashment</u>			
Defined benefit obligation	5.02	7.00	5.53
Fair value of plan assets	-	-	-
Net defined benefit (obligation)/assets	5.02	7.00	5.53

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

(Rs. in Million)

iv) Expense recognised in the Statement of profit and loss and Other comprehensive Income:	Gratuity		Leave Encashment	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Expense recognised in the Statement of profit and loss				
Current service cost	2.36	2.79	2.74	2.18
Interest cost	3.29	3.28	0.47	0.42
Interest income	2.82	2.50	-	-
	2.83	3.57	3.21	2.60
Expense recognised in the Other comprehensive income				
Actuarial (gains) losses on defined benefit obligations arising from changes in financial assumptions	(1.01)	2.77	(0.08)	0.44
arising from changes in demographic assumptions	-	-	1.05	-
arising on account of experience changes	(1.92)	(0.23)	(3.79)	(2.38)
	(2.93)	2.54	(2.82)	(1.94)

v) Actuarial assumptions:

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages):

Financial assumptions

	March 31, 2018	March 31, 2017	April 1, 2016
Discount rate	7.30%	7.00%	7.00%
Salary escalation	5.00%	5.00%	5.00%

Demographic assumptions

Mortality rate	Indian assured life mortality (2006-2008) table		
Turnover Rate	5% at younger ages reducing to 1% at older ages		
Future Salary Increase	5% per annum		

(Rs. in Million)

vi) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	March 31, 2018		March 31, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	52.73	56.30	53.50	57.69
Salary escalation (0.5% movement)	56.33	52.68	57.71	53.47
Attrition Rate (1% movement)	54.55	54.39	55.65	55.43

The above sensitivity analysis have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

(Rs. in Million)

vii) The expected future cash flows as at March 31, were as follows:

	Upto 1 year	Between 1-2 years	Between 2-5 years	More than 5 years	Total
Defined benefit obligations (Gratuity - funded)					
March 31, 2018	4.61	2.00	15.58	46.34	68.53
March 31, 2017	3.58	3.25	10.50	41.79	59.12

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

		(Rs. in Million)	
		As at March 31, 2018	As at March 31, 2017
Note 38.			
Contingent Liabilities and Commitments:			
A. Contingent Liabilities not provided for:			
i)	Letters of Credit opened	-	376.42
ii)	Letters of Guarantees	9.97	1,159.97
iii)	Claims against the Company not acknowledged as debt:		
a)	Custom Duty demands and penalties under dispute [Amount paid under protest Rs. 1.50 Million (Previous year Rs. 1.50 Million)]	11.33	11.33
b)	Excise Duty and Service Tax demands and penalties under dispute [Amount paid under protest Rs. 7.81 Million (Previous year Rs. Nil)]	212.43	96.93
c)	Sales Tax demands and penalties under dispute [Amount paid under protest Rs. 26.46 Million (Previous year Rs. 26.46 Million)]	1,007.34	80.01
d)	Income Tax matters in respect of which appeals are pending [Amount paid under protest/adjusted by Department Rs. 35.33 Million (Previous year Rs. 35.33 Million)]	56.94	100.33
B. Commitments			
	Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)	1.80	3.30

Note 39.

The Company alongwith 13 other affiliates/entities (collectively referred to as 'Obligors' or individually as 'Borrower' or 'Co-Obligors') executed Facility Agreement with the consortium of existing domestic rupee term lenders, under the obligor/co-obligor structure, wherein all the Rupee Term Loans of the Obligors are pooled together. The Borrower entities are Videocon Industries Limited, Value Industries Limited, Trend Electronics Limited, KAIL Limited, Millennium Appliances India Limited, Applicomp (India) Limited, Sky Appliances Limited, Techno Electronics Limited, Century Appliances Limited, PE Electronics Limited, Techno Kart India Limited, Evans Fraser and Co. (India) Limited, Electroworld Digital Solutions Limited and Videocon Telecommunications 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 March 31, 2018 of Rs. 210,123.87 Million (As at March 31, 2017 Rs. 212,689.54 Million).

Note 40.

The Directorate of Revenue Intelligence, Mumbai Zonal Unit ('DRI') has on 30th December, 2014, issued a Show Cause Notice ('SCN') in connection with import of Colour Picture Tubes ('CPTs') by the Company and other concerns. Vide SCN, the Company was called upon, amongst others, as to why the declared value of CPTs imported should not be rejected and the same should not be re-determined and why the amount of anti-dumping duty and penalty Rs. 3.54 Million should not be recovered under the extended period under the provisions of the Customs Act, 1962.

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

Note 41.**Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006:**

		(Rs. in Million)	
		As at March 31, 2018	As at March 31, 2017
a)	Principle amount remaining unpaid as at the end of the year	5.71	26.69
b)	Interest due thereon as at the end of the year	0.55	0.25
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	6.17	3.11
d)	Interest due and payable for the period of delay in making payment	0.55	0.25
e)	Interest accrued and remaining unpaid at the end of the year	0.55	0.25
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.

Note 42.

The Company has kept the investment activities separate and distinct from the normal business. Consequently, all the income and expenditure pertaining to investment activities has been allocated to the investments and Securities Division and the income after netting off the related expenditure has been shown as "Income/Loss from Investments and Securities Division". The Income from Investment and Security Division include: Dividend on Long Term Investments of Rs. 0.46 Million (Previous year Rs. 0.32 Million).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

Note 43.**C.I.F. Value of Imports, Expenditure and Earnings in Foreign Currency**

	(Rs. in Million)	
	Year ended on March 31, 2018	Year ended on March 31, 2017
a) C.I.F. Value of Imports:		
Raw Materials and Stock in Trade	318.22	1,284.53
Capital Goods	-	11.51
b) Expenditure incurred in Foreign Currency:		
Interest	0.67	1.10
Bank Charges	-	0.01
c) Other Earnings/Receipts in Foreign Currency:		
F.O.B. Value of Exports	-	58.49

Note 44.**Corporate Social Responsibility**

The Company in light of losses incurred in the past years is not required to spend any amount towards Corporate Social Responsibility for the year ended March 31, 2018.

Note 45.

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".

Note 46.**Related party transactions:****A) List of Related Parties where control exists and related parties with whom transactions have taken place and relationship:****Key Management Personnel:**

Mr. B. S. Kakade - Director

B) Material Transactions with Related Parties during the year:

Remuneration to Key Management Personnel - Rs. Nil

Note 47.

The confirmations and reconciliation of balances of certain secured and unsecured loans, balances with banks, trade receivables, trade and other payables and loans and advances are pending. The management is in the process of obtaining confirmations and reconciliation of balances. In the opinion of the management, there will not be any material impact on the standalone Ind AS financial statements.

Note 48.

The Company has incurred a loss of Rs. 6,314.79 Million during the year ended March 31, 2018 (previous year loss of Rs. 604.42 Million), and as of that date, the Company's accumulated losses amounts to Rs. 5,951.94 Million (As on March 31, 2017 accumulated profits of Rs. 360.66 Million) and it has negative net worth of Rs. 2,555.44 Million (As on March 31, 2017 positive networth of Rs. 3,793.21 Million).

Further, State Bank of India, the consortium member bank of the Company has initiated Corporate Insolvency Resolution Process (CIRP) for the Company under the Insolvency and Bankruptcy Code, 2016 as amended and has filed the petition in National Company Law Tribunal (NCLT), Mumbai. The matter is under consideration of the NCLT. In view of the above and in view of the persistent severe strains on the working capital for more than a year, there is a significant drop in the production and sale of products which raises doubt on the ability of the Company to continue as "Going Concern" for the purpose of activities and operations of the Company along with activities and operations of other co-obligor companies. Also, the referral of the Company, in line with the directives of Reserve Bank of India, to NCLT under the Insolvency and Bankruptcy Code by lenders, amounts to a very material event. On this background during the year, the Company has discarded and /or disposed of certain assets in view of the same being irretrievable for the purpose of business. The Company continues the process for ascertaining the liquidation value for remaining current assets such as raw materials, finished goods, stock-in-process, receivables etc., justifiably assuming that the going concern concept stands vitiated and necessary adjustments will be effected in the due course.

Note 49.

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

Note 50.

Previous year figures have been reclassified, restated, recasted to conform to the classification of the current year.

As per our report of even date.

For S Z DESHMUKH & CO.

Chartered Accountants

For and on behalf of the Board

D. U. KADAM

Partner

ICAI Membership No: 125886

B. S. KAKADE

Director

DIN 06383819

D. A. PEDNEKAR

Director

DIN 07639771

Place : Mumbai

Date : July 3, 2018

as my/ our proxy to attend and vote (on a poll) for me /us and on my/our behalf at the 30th Annual General Meeting of the Company, to be held on Friday, 28th December, 2018 at 3.00 pm at the Registered office at 14 K.M. Stone, Aurangabad – Paithan Road, Village: Chittegaon, Taluka: Paithan, District: Aurangabad - 431 105 (Maharashtra) and at any adjournment thereof in respect of such resolution as are indicated below:

Resolution Number	Resolution	For	Against
Ordinary Business:			
1.	To adopt the Audited Statement of Profit and Loss for the financial year period 31st March, 2018 and the Audited Balance Sheet as at that date together with the Reports of the Board of Directors and Auditors thereon.		
Special Business:			
2.	Confirmation/Appointment of Mr. Deepak Pednekar(DIN: 07639771) as an Independent Director.		

Signed this _____ day of _____ 2018.

Affix
Revenue
Stamp
Re. 1

Signature of the Shareholder

Signature of the Proxy holder(s)

Notes:

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

ATTENDANCE SLIP

VALUE INDUSTRIES LIMITED

CIN: L99999MH1988PLC046445

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

Tel. No.: +91-2431-251552/5 **Fax. No.:**

E-mail id: secretarial_value@videoconmail.com **Website:** www.valueind.in

30th Annual General Meeting - Friday, 28th December, 2018

Regd. Folio No. / Client ID No.

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DP ID No.

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No. of shares held

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

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

I hereby record my presence at the 30th ANNUAL GENERAL MEETING of the Company held on Friday, 28th December, 2018 at 3.00 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).

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

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

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

Please read errata for typesetting matter.

IMPORTANT AND URGENT FOR IMMEDIATE ACTION

Dear Shareholder,

Unit: Value Industries Limited

Sub: Requirement of updation of KYC details of registered shareholders and mandatory dematerialisation for transfer of securities

We refer to the SEBI circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 and SEBI Circular no. SEBI/HO/MIRSD/DOS3/ CIR/P/2018/115 dated 16th July, 2018, in which SEBI has directed to all the listed Companies to record the PAN and BANK ACCOUNT details of all their shareholders holding shares in physical mode through their Registrar and Share Transfer Agent (RTA) and SEBI Notification No. SEBI/LAD-NRO/ GN/2018/24 dated 8th June, 2018 read with BSE Circular No. LIST/COMP/15/2018-19 dated 5th July, 2018 and NSE Circular No. NSE/CML/2018/26 dated 9th July, 2018 on mandatory dematerialization for transfer of securities.

We, therefore, request you to send us the following documents in order to update your PAN card, bank account and other details in the Company's records and take note of the following :

A. Updation of PAN of the registered and/or joint shareholders:

- Self-attested legible copy of PAN card.
- If the shareholder is a resident of Sikkim, the shareholder is required to submit a valid Identity proof issued by the Government.

B. Updation of Bank Account details of the registered shareholder:

1. In case wherein the original cancelled cheque leaf has the shareholder's name printed:

- For address proof: Self-attested legible copy of Aadhar/passport/utility bill (not older than 3 months).
- Original cancelled cheque leaf containing the Bank A/c No., Bank Name, type of account, IFSC Code, MICR Code and the name of the shareholder printed on the cheque leaf.

OR

2. In cases wherein the cancelled cheque leaf does NOT contain the shareholder's name printed on it:

- For address proof: Self-attested legible copy of Aadhar/passport/utility bill (not older than 3 months).
- Original cancelled cheque leaf containing the details, Bank A/c No., Bank Name, type of account, IFSC Code, MICR Code.
- Legible copy of the first and last page of bank passbook/bank statement specifying the KYC details of the registered shareholder such as the name, address, bank account number and the bank statement not older than 3 months, etc. duly attested by the Bank Manager under his signature, name, employee code, designation, bank seal & address stamp, Phone no. and date of attestation.

As directed by SEBI, in case of failure to register the PAN and bank account details as aforesaid, any transaction in the securities of the Company shall be subject to enhanced due diligence by the Company/RTA, as may be prescribed. Also, it may be noted that issue of payment instruments without bank details may be disallowed.

We would also like to register other KYC details such as email id, mobile number and nomination. In this context, we request you to kindly fill in the details as mentioned in form for updation of shareholder's details attached herewith and forward the same along with all the supporting documents based on requirements considering the below mentioned points.

C. Updation of Email id: Email-id of the registered shareholder for all future communication in electronic mode (Go Green Initiative).

D. Registration of Mobile No.: Mobile no. of registered shareholder for future direct communication.

E. Registration of Nomination : You are requested to register the Nomination (Form SH-13). Nomination form is also available at the website of the Company.

We request you to kindly forward duly filled in KYC form along with copies of supporting documents for all the "Required" remarks within 21 days from the date of this notice. Single copy of supporting documents is sufficient for updating multiple subjects.

F. Shareholder(s), please note that request(s) for transfer of shares in physical form will be considered upto 5th December, 2018, subsequently any request for transfer of shares (except request related to transmission or transposition of securities) shall not be processed. This intimation is in accordance with SEBI Notification dated 8th June, 2018 read with BSE circular dated 5th July, 2018 and NSE Circular dated 9th July, 2018, copy available on the Company's website. Accordingly, you are advised to dematerialize your entire physical shareholding in the Company.

Thanking you,

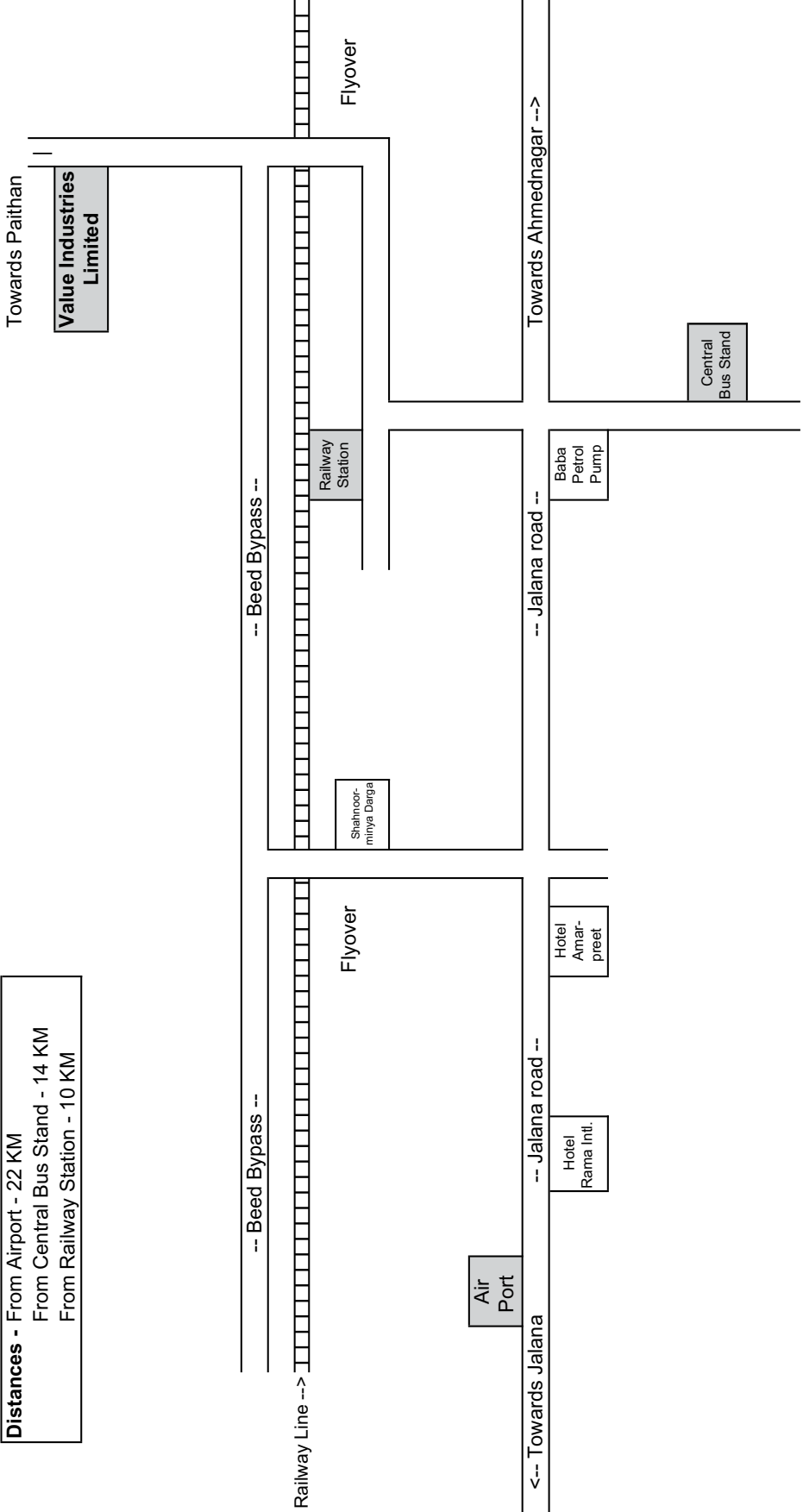
Yours faithfully,

For MCS SHARE TRANSFER AGENTS LIMITED

Sd/-

Authorised Signatory

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



Towards Paithan

Value Industries Limited

-- Beed Bypass --

Railway Line -->

Flyover

Railway Station

Shahnoor-minya Darga

Flyover

Air Port

<-- Towards Jalana

-- Jalana road --

Hotel Rama Intl.

Hotel Amarpreet

Baba Petrol Pump

-- Jalana road --

Towards Ahmednagar -->

Central Bus Stand

If undelivered, please return to:

MCS Share Transfer Agent Limited

Unit: Value Industries Limited

A-209 C- Wing, 2nd Floor, Gokul Industries, Estate Building
Sagbaug, Marol Co-op Industrial Area, B/H Times Square,
Andheri (E), Mumbai – 400059