



VALSON INDUSTRIES LIMITED

CIN: L17110MH1983PLC030117

**34TH ANNUAL REPORT
2017 – 2018**

MISSION STATEMENT

VALSON INDUSTRIES LIMITED, A CUSTOMER DRIVEN COMPANY, will continuously improve upon the services rendered to customers, Meet customers' needs in the shortest lead time, Introduce new range of shades by Continuous Colour Innovation, Bolster R & D activities to develop Newer Application areas for its products and will continue to enjoy privileged status as a **Preferred Supplier.**

Valson Industries Limited, **A SHAREHOLDER DRIVEN COMPANY,** will remain focused in the areas of its Core Competency, Emphasis on the quality of business rather than the size of the business, Maintain Profit related Growth Policy, Implement Corporate Governance, Regard Shareholder's wealth creation to be the key driver of all actions and policies of the Company and its people.

Valson Industries Limited, **A BRAND DRIVEN COMPANY,** will maintain and improve upon **VALSON** Brand name and will create **VALSON** Brand awareness in International Markets through export of Quality Products.

Valson Industries Limited, A PEOPLE DRIVEN COMPANY, will Train, Empower and create a superior pool of intellect, capable of leading its Innovation Drive. **Valson Industries Limited,** AN ENVIRONMENT FRIENDLY COMPANY, will continue to adhere to environment friendly manufacturing process and set new standards in fighting pollution.



COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Suresh N. Mutreja, Chairman & Mg. Director
Mr. Varun S. Mutreja, Director – CFO
Mrs. Asha S. Mutreja, Whole Time Director
*Mr. Kunal S. Mutreja, Director – CEO
Mr. Chandan S. Gupta, Independent Director
Mr. Surendra Kumar Suri, Independent Director
Mr. Pradip C. Shah, Independent Director
*Mrs. Radhika V. Shah, Additional Director
#Appointed as Director on May 27, 2017
*Appointed as Director on August 05, 2017

AUDIT COMMITTEE

Mr. Chandan S. Gupta
Mr. Surendra Kumar Suri
Mr. Varun S. Mutreja
Mr. Pradip C. Shah

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Pradip C. Shah
Mr. Surendra Kumar Suri
Mr. Varun S. Mutreja

AUDITORS

M/s. Bastawala And Associates,
Chartered Accountants, Mumbai

BANKERS

Kotak Mahindra Bank

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REGISTERED OFFICE

28, Bldg. No. 6, Mittal Industrial Estate,
Sir M. V. Road, Andheri (East),
Mumbai – 400 059.
Tel No.: 022 4066 1000 Fax No.: 022 4066 1199
Email Id: pritesh@valsonindia.com
Website: www.valsonindia.com

MANUFACTURING UNIT AT

Vapi, Gujarat - 396195
Silli, UT of Dadra & Nagar Haveli - 396230

REGISTRAR & TRANSFER AGENT

Link Intime India Pvt. Ltd.
C – 101, 247 Park,
L. B. S. Marg, Vikhroli (West),
Mumbai – 400 083.
Tel No: 022 4918 6000 Fax: 022 4918 6060
Email: rnt.helpdesk@linkintime.co.in

34TH ANNUAL GENERAL MEETING

On 29th September, 2018 at 4.00 p.m. at
28, Bldg. No. 6, Mittal Industrial Estate,
Sir M. V. Road, Andheri (East),
Mumbai – 400 059.

NOTICE

NOTICE is hereby given that the Thirty-Fourth Annual General Meeting of the members of **VALSON INDUSTRIES LIMITED** will be held on Saturday, 29th day, September, 2018 at 4.00 p.m. at the Registered Office of the Company situated at 28, Bldg. No. 6, Mittal Industrial Estate, Sir M. V. Road, Andheri (East), Mumbai – 400 059 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt an Audited Financial Statement of the Company for the financial year ended March 31, 2018 and the Reports of the Board of Directors and the Auditors' thereon.
2. To declare dividend on Equity Shares @ 10% i.e. Re. 1/- per Equity Share.
3. To appoint a Director in place of Mr. Suresh N. Mutreja (DIN: 00052046), who retires by rotation and being eligible, offers himself for re-appointment.
4. Appointment of Statutory Auditors

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

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s Bastawala And Associates, Chartered Accountants, Mumbai having ICAI Firm Registration No. 121789W, who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby re-appointed as Statutory Auditors of the Company for the Company's financial year 2018-19, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to Goods and Service Tax and re-imburement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company.”

SPECIAL BUSINESS:

5. To appoint Mrs. Radhika V. Shah (DIN: 02537656) as a Director and in this regard, to consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mrs. Radhika V. Shah (DIN: 02537656), a Non-Executive Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16 (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 38th Annual General Meeting of the Company in the calendar year 2022.”

6. To adopt new set of Articles of Association of the Company and in this regard, to consider, and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

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

NOTES:

1. The relative Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, relating to special business to be transacted at the Annual General Meeting (the AGM or Meeting) is annexed herewith.
2. **In terms of provisions of Section 105 of the Companies Act, 2013, A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not be a Member of the Company. The instrument appointing a proxy, in order to be effective, should be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Annual General Meeting i.e. by 4.00 p.m. on Thursday, 27th September, 2018. As per Secretarial Standard 2 on General Meeting, the proxy should carry a valid photo-id card to the venue to tender vote.**
3. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total



share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.

4. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
5. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
7. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.
8. Pursuant to the provisions of Section 91 of the Act, the Register of Members and Share Transfer Books of the Company shall remain closed on all days from Tuesday, 25th September, 2018 to Saturday, 29th September, 2018, both days inclusive for determining the names of members eligible for final dividend on equity shares, if declared in the Meeting.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.
10. Members desiring any relevant information on the Accounts at the Annual General Meetings are requested to write to the Company at least seven days in advance, so as to enable the Company to keep the information ready. Members can also email their queries at the email address of the Compliance Officer, Mr. Pritesh H. Shah (pritesh@valsonindia.com).
11. Members holding shares in electronic form are requested to intimate immediately, any change in their address or bank mandates to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company or its Registrar and Share Transfer Agent, Link Intime India Private Limited.
12. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Act, are requested to submit details to the Registrar and Transfer Agents of the Company, in the prescribed Form SH – 13 for this purpose.
13. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses with the Company's Registrar and Transfer Agents for receiving communication from the Company in electronic form. Members of the Company, who have registered their e-mail ID, are entitled to receive such communications in physical form upon request.
14. Pursuant to the provisions of Section 124(5) and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has transferred on due dates, the unpaid or unclaimed dividends for the financial year ended 31st March, 2010 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on August 05, 2017 (date of the last Annual General Meeting) on the website of the Ministry of Corporate Affairs (www.mca.gov.in).

For Equity Shareholders:

Financial Year	Date of Declaration of Dividend	Last Date of Claiming Unpaid Dividend
Final Dividend 2010 – 2011	30.09.2011	04.11.2018
Final Dividend 2012 – 2013	13.08.2013	17.09.2020
Final Dividend 2013 – 2014	13.09.2014	18.10.2021
Final Dividend 2014 – 2015	14.08.2015	18.09.2022
Final Dividend 2015 – 2016	13.08.2016	17.09.2023
Final Dividend 2016 – 2017	05.08.2017	09.09.2024

Members who have not so far received / encashed dividend for the aforesaid years are requested to seek issue of duplicate warrant(s) by writing to the Company's Registrar and Share Transfer Agent i.e. M/s. Link Intime India Private Limited.

15. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s), unless the Members have registered their request for a physical copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who

have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.

16. Information required under Regulation 36 (3) of the SEBI (LODR) Regulations, 2015 and Secretarial Standard 2 on General Meeting relating to Documents & Information to Shareholders with respect to the Director being appointed and Director retiring by rotation and being eligible, seeking re-appointment are as under:

Name	Mr. Suresh N. Mutreja	Mrs. Radhika V. Shah
Director Identification Number(DIN)	00052046	02537656
Date of Birth	15/07/1957	08/10/1983
Nationality	Indian	Indian
Date of Appointment on Board	26/06/1983	05/08/2017
Qualifications	B.com	B.M.S., M.Com
Shareholding in Valson Industries Limited	16,79,500 Shares	Nil
Expertise in specific functional areas	Industrialist	Marketing Executive in the areas of fire, civil, engineering and portfolio insurance for oil and petroleum corporate
Directorships in other Public Limited Companies*	Nil	Nil
Memberships of Committees in other Public Limited Companies* (includes only Audit & Shareholders / Investors Grievances Committee)	Nil	Nil

17. Route Map showing directions to reach to the venue of the 34th AGM is given at the end of this Notice as per the requirement of the Secretarial Standards 2 on General Meetings.

PROCESS FOR MEMBERS OPTING FOR E-VOTING

For Members whose e-mail addresses is registered with the Company/Depositories:

Voting through electronic means:

1. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, Secretarial Standard 2 on General Meeting and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company is pleased to provide shareholders facility to exercise their right to vote on resolutions proposed to be considered at the 34th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the shareholders using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
2. The facility for voting through ballot papers shall also be made available at the venue of the AGM and the shareholders attending the meeting who have not cast their votes by remote e-voting shall be able to exercise their right at the meeting through ballot papers at the venue.
3. The Company has approached NSDL for providing e-voting services through our e-voting platform. In this regard, your Demat Account/Folio Number has been enrolled by the Company for your participation in e-voting on resolution placed by the Company on e-Voting System.
4. The shareholders who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
5. The remote e-voting period commences on Wednesday, 26th September, 2018 (9:00 am) and ends on Friday, 28th September, 2018 (5:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-Off Date of Saturday, 22nd September, 2018 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the shareholder casts his vote on a resolution, the shareholder shall not be allowed to change it subsequently.
6. The process and manner for remote e-voting are as under:
 1. Open the attached PDF file "**e-Voting.pdf**" giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your "User ID" and "Password for e-voting".



Please note that the password is an initial password. If you are already registered with NSDL for e-Voting then you can use your existing user ID and password.

2. Launch internet browser by typing the URL **<https://www.evoting.nsdl.com/>**
3. Click on "Shareholder - Login".
4. Put User ID and password as initial password noted in step (1) above and Click Login. If you are already registered with NSDL

for e-voting then you can use your existing user ID and password.

NOTE: Shareholders who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID + Client ID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+ Folio No).

5. Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof.
6. Home page of remote "e-Voting" opens. Click on e-Voting: Active Voting Cycles.
7. Select "EVEN" of **Valson Industries Limited**. Members can cast their vote online from **September 26, 2018 (9:00 am)** till **September 28, 2018 (5:00 pm)**.

Note: e-Voting shall not be allowed beyond said time.

8. Now you are ready for "e-Voting" as "Cast Vote" page opens.
9. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted.
10. Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail noticetome@gmail.com with a copy marked to evoting@nsdl.co.in.

Further, NSDL is pleased to inform you that NSDL has now integrated its e-Services website (<https://eservices.nsdl.com/>) with the aforesaid e-Voting system of NSDL, which enables you as a registered User of IDeAS facility to also access e-Voting system of NSDL for casting your votes by using your existing login credentials viz.; User ID and password of IDeAS facility. Thus, you would not be required to log-in to e-Voting system separately for casting votes in respect of the resolutions of companies.

Please note the following:

A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

Mr. Punit P. Shah, Practicing Company Secretary (Membership No. A20536) has been appointed as Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith

Other information:

- Login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through "Forgot User Details/Password?" or "Physical User Reset Password?" option available on the site to reset the same.
- Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.

- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
- Please note that if you have opened 3-in-1 account with ICICI Group i.e. bank account and demat account with ICICI Bank Limited and trading account with ICICI Securities Limited, you can access e-Voting website of NSDL through their website viz.; www.icicidirect.com for the purpose of casting your votes electronically by using your existing user ID and password used for accessing the website www.icicidirect.com. Please note that in case you are not able to login through the ICICI direct website, you can also access the e-Voting system of NSDL by using your existing user ID and password for the evoting system of NSDL.

In case a shareholder receives physical copy of the Notice of AGM (for shareholders whose Email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy):

- i. Initial password is provided as below/ at the bottom of the Attendance Slip of the AGM:

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/PIN
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- ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

7. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and remote e-voting user manual for shareholders available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

8. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

**By order of the Board
For Valson Industries Limited**

**Mr. Suresh N. Mutreja
Chairman & Managing Director**

**Place: Mumbai
Date: 21st May, 2018**



**ANNEXURE TO THE NOTICE EXPLANATORY STATEMENT
PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

ITEM NO. 5 – Appointment of Mrs. Radhika V. Shah as a Director.

The Board of Directors of the Company, pursuant to the recommendations of the Nomination and Remuneration Committee, has appointed Mrs. Radhika V. Shah (DIN: 02537656) on 05th August, 2017, as an Additional Director (Independent and Non-Executive) on the Board of Directors of the Company, in terms of Section 161 of the Companies Act, 2013. Mrs. Radhika V. Shah holds office up to the date of this Annual General Meeting pursuant to Section 161 of the Companies Act, 2013. The Company has received notice in writing from a Member under Section 160 of the Act, proposing her candidature for the office of Director of the Company.

Brief profile of Mrs. Radhika V. Shah and her other directorships has been included in this Notice.

The Company has received a declaration from Mrs. Radhika V. Shah stating that she meets with the criteria of independence as prescribed under sub-section (6) of section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

Copy of the draft letter of appointment of Mrs. Radhika V. Shah is available for inspection at the Registered Office of the Company and will also be available for inspection at the Annual General Meeting of the Company.

The Board of Directors considers it in the interest of the Company to appoint Mrs. Radhika V. Shah as an Independent Director. None of the Directors and Key Managerial Personnel of the Company or their relatives, except Mrs. Radhika V. Shah, is in any way, interested or concerned in this resolution. The Board recommends the resolution set forth in item No. 5 of the notice for approval of the members.

ITEM NO. 6 – Adoption of new set of Articles of Association of the Company

The existing Articles of Association (AOA) of the Company are based on the provisions of the Companies Act, 1956 and several regulations in the existing AOA contain references to specific sections of the Companies Act, 1956.

In order to make the Articles of Association of the Company in tandem with the relevant sections/provisions under the Companies Act, 2013 and rules made thereunder, it is proposed to replace the existing Articles of Association of the Company by a new set of AOA. Accordingly, in lieu of amendments to various articles in the existing Articles of Association, it is considered prudent and desirable to adopt a new set of Articles of Association of the Company, in substitution for, and to the exclusion of the existing Articles of Association of the Company. The new AOA to be substituted in place of the existing AOA are based on Table 'F' of the Act which sets out the model Articles of Association for a Company limited by shares.

Pursuant to Section 14 of the Companies Act, 2013, the consent of the members of the Company by way of a Special Resolution is required for adoption of a new set of Articles of Association of the Company. Accordingly, this matter has been placed before the members for approval.

The Board commends the Special Resolution set out at item No. 6 of the Notice for approval by the shareholders.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution set out at item No. 6 of the Notice.

A copy of the existing as well as new Articles of Association of the Company is available for inspection at the Registered Office of the Company during working hours on any working day upto the date of the Annual General Meeting.

**By order of the Board
For Valson Industries Limited**

**Mr. Suresh N. Mutreja
Chairman & Managing Director**

Place: Mumbai

Date: 21st May, 2018

BOARD'S REPORT

TO THE MEMBERS OF
VALSON INDUSTRIES LIMITED

The Directors take pleasure in presenting the Thirty Fourth Annual Report together with the Audited Financial Statements for the year ended 31st March, 2018. The Management Discussion and Analysis has also been incorporated into this report.

1. FINANCIAL RESULTS

Key highlights of Financial Results for Valson Industries Limited for the financial year 2017 – 18 are tabulated below:

(Rs. in Lakhs)

Particulars	Year ending 31.03.18	Year ending 31.03.17
Revenue from operations	9828.27	9856.09
Operating Profit (PBOIDT) before other income and Interest and Depreciation and Tax	635.99	596.84
Finance Cost	54.73	43.37
Depreciation	287.88	262.63
Operating Profit before other income and extra ordinary activity (i.e. profit on Sale of Fixed Assets)	293.38	290.84
Other Income	64.19	60.59
Profit before Tax	357.57	351.43
Taxation	120.46	107.57
Profit after Tax	237.11	243.86
Other Comprehensive Income (Net)	0.54	(3.85)
Total Comprehensive Income	237.65	240.01
Balance of Profit brought forward	1650.36	1517.64
Amount available for appropriations	1888.01	1757.65
Appropriations:		
Transfer to General Reserve	15.00	15.00
Dividend on Equity Shares	76.61	76.61
Dividend Tax on Equity Shares	15.59	15.68
Balance carried forward to Balance Sheet	1780.81	1650.36
Total	1888.01	1757.65
EPS (Basic & Diluted)	3.10	3.13

2. HIGHLIGHTS OF PERFORMANCE

- Revenue from Operations was Rs. 9828.27 Lakhs as compared to Rs. 9856.09 Lakhs in the previous year.
- Company has reduced its power cost to Rs. 943.82 Lakhs as compared to Rs. 948.84 Lakhs in the previous year.
- Finance cost has increased to Rs. 54.73 Lakhs as compared to last year amount of Rs. 43.37 Lakhs since, during the year, the company has availed a Term Loan of Rs. 298.00 Lakhs from Kotak Mahindra Bank for need based expansion.
- Operating Profit (PBOIDT) before other income and Interest and Depreciation and Tax was Rs. 635.99 Lakhs as compared in the previous year amount of Rs. 596.84 Lakhs in the previous year.
- Profit before Tax was Rs. 357.57 Lakhs as compared in the previous year amount of Rs. 351.43 Lakhs in the previous year.

3. CEO AND CFO CERTIFICATION

Certificate from Mr. Kunal S. Mutreja, Director & CEO and Mr. Varun S. Mutreja, Director & CFO, pursuant to provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the year under review was placed before the Board of Directors of your Company at its meeting held on 21st May, 2018.

4. BUSINESS OPERATIONS

Your company is one of the leading manufacturers of polyester texturised dyed yarn and processors of cotton and other fancy yarns with customers having diverse uses. Quality Products and Services has been the top most priority and after continuous research and efforts, your company has ventured into the dyeing of various qualities of yarns. Your company today has wide



range of polyester dyed yarn with a strong market acceptance and niche position for exclusive shades and grades.

After the continuous efforts and research this year your company has focussed on producing and marketing value added products i.e. dyed yarns compared to white yarn and it has also focussed on denier wise costing / profitability which will result into an optimum product mix to sell season wise so that your company always gets a better profitability.

The operating highlights your company during the financial year 2017-2018 is as under:

- 1) There is a marginal decline in growth of 1.1% in texturising production (4711 MT) compared to last year (4763 MT).
- 2) There is a marginal decline in growth of 2.2% in twisting production (2610 MT) compared to last year (2667 MT).
- 3) There is a marginal decline in growth of 1.1% in Sales in terms of quantity (5096 MT) compared to last year (5153 MT).
- 4) There is decrease in 0.2% in terms of revenue from operations (Rs. 9828.27 Lakhs) compared to last year (Rs. 9856.09 Lakhs).
- 5) The power cost has been reduced by 0.5% in terms of amount (Rs. 943.82 Lakhs) compared to last year (Rs. 948.84 Lakhs).
- 6) During the year company has availed a term loan for need based expansions which resulted in an increase in finance cost to Rs. 54.73 Lakhs from Rs. 43.37 Lakhs (i.e. increase of 26.2%).
- 7) Depreciation is Rs. 287.88 Lakhs and has increased in comparison to last year (Rs. 262.63 Lakhs).
- 8) The Operating Profit (PBOIDT) before other income and Interest and Depreciation and Tax has increased by 6.6% Rs. 635.99 Lakhs as compared to last year (Rs. 596.84 Lakhs).
- 9) The Net Profit before Tax has increased by 1.7% Rs. 357.57 Lakhs as compared to last year (Rs. 351.43 Lakhs).

There was no change in nature of business of your company, during the year under review.

5. APPLICABILITY OF INDIAN ACCOUNTING STANDARDS

Your Company had adopted Ind-AS with effect from 01st April, 2017 pursuant to a notification dated 16th February, 2015, issued by the Ministry of Corporate Affairs, notifying the Companies (Indian Accounting Standard) Rules, 2015. Your Company has published Ind-AS Financials for the financial year ended 31st March, 2018 along with comparable as on 31st March, 2017 and Opening Statement of Assets and Liabilities as on 1st April, 2017.

Your Company has shared all four quarters re-stated Ind-AS Profit and Loss Statement with investors along with quarterly results for comparison.

Refer to Note No.27 (X) for information on how the Company adopted Ind AS, including the details of the first time adoption exemptions availed by the company.

6. GOODS AND SERVICES TAX (GST)

The Goods and Services Tax (GST) is a landmark reform which will have a lasting impact on the economy and on businesses. Implementation of a well-designed GST model that applies to the widest possible base at a low rate can provide stimulus to the business and contribute to the Hon'ble Prime Minister's mission of 'Make in India'.

Your company has successfully implemented and migrated to GST with effect from 01st July, 2017 and suitable changes have been made in IT systems, supply chain and operations keeping in mind the compliance required under GST.

7. DIVIDEND

The Board of Directors of your company has recommended a dividend of Re. 1/- per equity share in the financial year 2017-2018 for approval by shareholders at the 34th Annual General Meeting, which if approved would result in a total liability arising to your company of Rs. 92.29 Lakhs (including Dividend Tax Rs. 15.60 Lakhs).

During the previous year (31st March, 2017) your company had declared a final dividend of Re. 1/- per equity share of Rs. 10/- each amounting to Rs. 92.29 Lakhs including Dividend Distribution Tax of Rs. 15.60 Lakhs.

8. TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND

During the year 2017 – 18, unclaimed Dividend of Rs. 86,950/- was transferred to the Investor Education and Protection Fund established by the Central Government, in compliance with Section 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. The said amount represent Dividend for the year 2009 – 10 which remain unclaimed for a period of 7 years from its due date of payment.

9. TRANSFER TO RESERVES

Your company proposes to transfer an amount of Rs. 15.00 Lakhs to the General Reserves.

10. CAPITAL EXPENDITURE

Your company has made need base Capital Expenditure during the financial year 2017-18 towards Tangible & Intangible Assets, amounting to Rs. 737.12 Lakhs, a major part of which was spent on Land and Building and Plant & Machinery. The details are as under:

(Rs. in Lakhs)

Sr. No.	Nature of Assets	Place	Amount	Remarks
1	Staff Quarters	Mumbai	202.41	982 sq. feet flat purchased
2	Factory Building	Vapi & Silli	7.04	
3.	Plant and Machinery	Vapi & Silli	375.78	Dyeing Machine, Rewinding & Cone winder, Two for one Twister, Hydro Extractor, ETP Plant, Boiler etc.
4.	Utility Equipment's	Vapi & Silli	97.96	Capital Contribution to Vapi green for Expansion, Lift, Cranes and other ancillary equipment.
5.	Electrical Installation	Vapi & Silli	2.15	
6.	Other Ancillary Assets	Vapi & Silli	26.39	
	(Total (A))		711.73	
7.	Capital Work in Process – Machinery	Vapi	14.09	
	Capital Work in Process – Furniture	Mumbai	11.30	
			737.12	

11. SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2018 is Rs. 766.08 Lakhs. During the year under review, your Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. There was no change in your Company's share capital during the year under review. The Promoter and Promoter Group are holding 48,86,209 shares equivalent to 63.78% of the total Issued and Paid-up Share Capital.

12. DEPOSITS

Your Company has not accepted deposits from public. Your Company has accepted deposit from the members and directors falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. The details relating to Deposits, covered under Chapter V of the Companies Act, 2013 are tabled below:

Sr. No.	Particulars	Amount in Rs.
1.	Accepted during the year	68,00,000
2.	Remained unpaid or unclaimed as at the end of the year	1,28,00,000
3.	Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved:-	Nil
	(i) at the beginning of the year	
	(ii) maximum during the year	
	(iii) at the end of the year	
4.	Details of deposits which are not in compliance with the requirements of Chapter V of the Companies Act	Nil

13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

14. SUBSIDIARY COMPANIES

Your Company does not have any Subsidiary Company.

15. DIRECTORS
15.1 Retirement by Rotation

Pursuant to Section 152 (6) of the Companies Act, 2013 and in terms of the Articles of Association of your Company, Mr. Suresh N. Mutreja, Director, retires by rotation at the forthcoming Annual General Meeting. Being eligible, he offers himself for re-appointment.



15.2 Appointment of Director and Chief Executive Officer (CEO)

15.2.1 Your Company has at its Board Meeting held on 27th May, 2017 appointed Mr. Kunal S. Mutreja as Director & Chief Executive Officer (CEO) of your Company w.e.f. 27th May, 2017. The approval from members has been taken at the 33rd Annual General Meeting held on 05th August, 2017.

15.2.2 Pursuant to Section 161(1) of the Companies Act, 2013 and Articles of Association of your Company, Mrs. Radhika V. Shah was appointed as an Additional Director (Independent and Non Executive) of your Company at the Board Meeting held on 05th August, 2017. In terms of provisions of Section 161(1) of the Act, Mrs. Radhika V. Shah would hold office up to the date of the ensuing Annual General Meeting. Your Company has received notice in writing from member under Section 160 of the Act proposing the candidature of Mrs. Radhika V. Shah for the office of Director of your Company. It is proposed to appoint Mrs. Radhika V. Shah as an Independent Director under Section 149 of the Act and resolution has been proposed at Item No. 5 of the Notice of 34th Annual General Meeting.

15.3 Declaration by Independent Directors

Your Company has received declarations from the Independent Directors of your Company confirming that they meet with the criteria of independence as prescribed both, under Sub-Section 6 of Section 149 of the Companies Act, 2013 and under Regulation 17 of the SEBI (LODR) Regulations, 2015.

15.4 Familiarisation Program for Independent Directors

The Program intends to provide insights into your Company so that the Independent Directors can understand your Company's business in depth and the roles, rights, responsibility that they are expected to perform / enjoy in your Company to keep them updated on the operations and business of your Company thereby facilitating their active participation in managing the affairs of your Company. In addition to the above, Directors are periodically advised about the changes effected in the Corporate Law, SEBI (LODR) Regulations, 2015 with regards to their roles, rights and responsibilities as Directors of your Company.

15.5 Annual Board Evaluation

The Board carried out an annual performance evaluation of its own performance, the individual Directors as well as the Board Committees, in due compliance with the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The performance evaluation of the Independent Directors was carried by the entire Board and the performance evaluation of the Chairman and Non – Independent Directors was carried out by the Independent Directors.

The Board evaluation was carried out in accordance with the criteria laid down in the Nomination and Remuneration Policy of your Company.

15.6 Key Managerial Personnel

The following persons have been designated as Key Managerial Personnel of your Company pursuant to Section 2(51) and Section 203 of the Act, read with Rule 8(5)(iii) of the Companies (Accounts) Rules, 2014 framed there under:

1. Mr. Suresh N. Mutreja, Chairman - Managing Director
2. Mrs. Asha S. Mutreja, Whole – Time Director
3. Mr. Varun S. Mutreja, Director – CFO
4. Mr. Kunal S. Mutreja, Director – CEO

None of the Key Managerial Personnel have resigned during the year under review.

15.7 Remuneration Policy

The Board has in accordance with the provisions of Sub-Section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management Employees. The detail of the same has been disclosed in the Corporate Governance Report.

15.8 Board Meetings

A calendar of Board Meetings is prepared and circulated in advance to the Directors.

During the year your Company has held 4 (Four) Board Meetings which were held on 27th May, 2017; 05th August, 2017; 14th November, 2017 and 13th February, 2018. The maximum interval between any two meetings did not exceed 120 days.

16. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) that in the preparation of the Annual Financial Statements for the year ended 31st March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in Note 2 of the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March, 2018 and of the profit of your Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- d) that the Annual Financial Statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

17. PLEDGE OF SHARES

None of the equity shares of the directors of your Company are pledged with any banks or financial institutions.

18. RELATED PARTY TRANSACTIONS

A Related Party Policy has been adopted by the Board of Directors at its meeting held on 14th August, 2014 for determining the materiality of transactions with related parties and dealings with them. The said policy may be referred to, at your Company's official website at the web link, <http://valsonindia.com/investor-relations/>. The Audit Committee reviews all related party transactions quarterly.

Further the members may note that your Company has not entered into the following kinds of related party transactions:

- Contracts/arrangement/transactions which are not at arm's length basis
- Any Material contracts/arrangement/transactions [as per Regulation 23 of the SEBI (LODR) Regulations, 2015]

19. COMPLIANCE OF SECRETARIAL STANDARDS

During the year under review, your Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

20. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of your Company and its future operations.

21. DISCLOSURES UNDER SECTION 134 (3) (I) OF THE COMPANIES ACT, 2013

No material changes and commitments which could affect your Company's financial position have occurred between the end of the financial year of your Company and date of this report.

22. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company firmly believes in providing a safe, supportive and friendly workplace environment – a workplace where our values come to life through the supporting behaviours. Positive workplace environment and a great employee experience are integral part of our culture. Your Company believes in providing and ensuring a workplace free from discrimination and harassment based on gender.

Your Company educates its employees as to what may constitute sexual harassment and in the event of any occurrence of an incident constituting sexual harassment, your Company provides the mechanism to seek recourse and redressal to the concerned individual subjected to sexual harassment.



Your Company has a Sexual Harassment Prevention and Grievance Handling Policy in place to provide clarity around the process to raise such a grievance and how the grievance will be investigated and resolved. An Internal Complaints Committee has been constituted in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

No complaint has been raised during the year ended 31st March, 2018.

23. COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

There are no companies which have become or ceased to be its Subsidiaries, Joint Venture or Associate Companies during the financial year 2017 – 18.

24. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The criteria prescribed for the applicability of Corporate Social Responsibility under Section 135 of the Companies Act, 2013 is not applicable to your Company.

25. DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

In line with the regulatory requirements, your Company has framed a Risk Management Policy to identify and access the key business risk areas and a risk mitigation process. A detailed exercise is being carried out at regular intervals to identify, evaluate, manage and monitor all business risks. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

The inherent risks to the business of your Company are as follows:

- a) Foreign Exchange Risk
- b) Yarn Price Risk
- c) Stiff Global Competition
- d) Government Policy on incentives for exports
- e) Risk elements in business transactions
- f) Success of Cotton Crop

All the above risk has been discussed in the Management Discussion and Analysis Report. The Chairman and Managing Director, CEO & CFO mitigate the risk with the help of their depth of knowledge of market, assistance of senior management and forecast based on various data available with your Company. Your Company has developed the analysis of market data which helps in decision making and to ensure the mitigation of the risk.

Your Company has not formed Risk Management Committee as it is not applicable under regulation 21 of the SEBI (LODR) Regulations, 2015.

26. INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

Your Company maintains an adequate and effective Internal Control System commensurate with its size and complexity. We believe that these internal control systems provide, among other things, a reasonable assurance that transactions are executed with Management authorization and that they are recorded in all material respects to permit preparation of financial statements in conformity with established accounting principles and that the assets of your Company are adequately safe-guarded against significant misuse or loss.

An independent Internal Audit function is an important element of your Company's internal control system. The internal control system is supplemented through an extensive internal audit programme and periodic review by Management and Audit Committee.

Your Company has in place, adequate Internal Financial Controls with reference to Financial Statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

The Audit Committee reviewed the audit program and findings of the Internal Audit department and your Company when needed takes corrective actions.

27. INFORMATION SYSTEM

In a business where information is critical, Information Technology plays a vital role, facilitating informed decision making to grow the business. Over the years, your Company has invested extensively in infrastructure, people and processes with the objective to capture, protect and transmit information with speed and accuracy.

To align with your Company's requirement, your Company has installed ERP suite for a reliable, high end, comprehensive, disciplined and integrated business solution.

28. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. The details of the Whistle Blower Policy are explained in the Corporate Governance Report.

29. AUDITORS

29.1 Statutory Auditors

The existing Auditors, M/s. M. A. Parikh & Co., Chartered Accountants informed to your Company their inability to continue as Statutory Auditors of your Company due to, among other things, pre-occupation with other clients.

As per the provisions of Section 139(8)(i) of the Companies Act 2013 any casual vacancy in the office of an auditor shall be filled by the Board of Directors within thirty days from the date of resignation of an auditor. The Board in their meeting held on 05th April, 2018 had filled the casual vacancy by appointing M/s. Bastawala And Associates, Chartered Accountants, Mumbai caused by the resignation of M/s. M. A. Parikh & Co. The said appointment of Statutory Auditors in casual vacancy arose due to resignation of M/s. M. A. Parikh & Co., Chartered Accountant shall also be subject to approval by members at a General Meeting convened within three months of the recommendation of the Board and they shall hold the office till the conclusion of the ensuing 34th Annual General Meeting. Your Company has convened Extra Ordinary General Meeting on 05th May, 2018 and M/s. Bastawala And Associates, Chartered Accountants have been appointed.

Your Company's Auditors, M/s. Bastawala And Associates, Chartered Accountants, who retire at the forthcoming Annual General Meeting of your Company, are eligible for re-appointment. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for re-appointment as Auditors of your Company. As required under regulation 33 of SEBI (LODR) Regulations, 2015, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

29.2 Statutory Auditors' Observations

The Report given by the Auditors on the financial statements of your Company is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

29.3 Cost Audit

Vide notification dated 31st December, 2014; the Ministry of Corporate Affairs has issued Companies (Cost Records and Audit) Amendment Rules, 2014. Further, vide notification dated 14th July, 2016, the Ministry of Corporate Affairs has amended the said rules. As per the said amendment, the following are the limits applicable to cost records (Rule 3) and cost audit (Rule 4):

- a) Limit under Rule 3 for Cost Records-
 - The applicable limit prescribed in respect of production of goods or providing services shall be Rs. 35 Crore or more during the immediately preceding financial year shall maintain cost records for such product or services in their Books of Accounts.
- b) Limit under Rule 4 for Cost Audit-
 - The applicable limit prescribed in respect of specified in Item (B) of Rule 3 is Rs. 100 Crore or more during the immediately preceding financial year shall get its cost records audited in accordance with this rules.

By virtue of above limits specified, the net turnover of your Company for manufacturing of dyed yarns is Rs. 97.78 Crores during the year financial year ended 31st March 2018. Hence, your Company does not require to get its cost records audited for manufacturing of dyed yarns.

29.4 Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed Mr. Punit P. Shah, Practicing Company Secretary to undertake the Secretarial Audit of your Company. The Report of the Secretarial Audit Report is annexed herewith as "Annexure A".

29.5 Qualifications in Secretarial Audit Report

a) Appointment of Company Secretary:

As per Section 203 (1) (ii), the Company is required to appoint Company Secretary. *The Company has not appointed Company Secretary; consequently the annual audited financial statements are not signed by Company Secretary.* In this regard the management of the Company has provided the following reply:

- i. The Company has appointed Mr. Pritesh Shah, Compliance Officer of the Company to ensure compliance of the Companies Act, 2013 and SEBI Act and rules made there under.



- ii. The Company has availed of the services of Practicing Company Secretary for advise on the compliance of the Companies Act, 2013 and the SEBI Act and rules made there under.
- iii. The Volume and Scope of work for the Company Secretary is less and it is not a full time work and the job of Company Secretary is not attractive commensurate with the scope of work and salary.

b) Cost Audit Report:

As per Section 148, the Company is required to obtain Cost Audit Report for the financial year 2015-16. *During the year, the Company has failed to file Form CRA-4 (Cost Audit Report for the financial year 2015-16) with Registrar of Companies, Mumbai, Maharashtra.* In this regard the management of the Company has provided the following reply:

- i. After the closure of financial year 2017-18, the Company has obtained the Cost Audit Report for the financial year 2015-16 and filed the same with Registrar of Companies, Mumbai, Maharashtra.

30. CORPORATE GOVERNANCE

Your Company attaches considerable significance to good Corporate Governance as an important step towards building investor confidence, improving investors' protection and maximizing long-term shareholders value. The certificate from Mr. Punit P. Shah, Practicing Company Secretary, confirming compliance of conditions of Corporate Governance as stipulated under Schedule V (E) of the Securities and Exchange Board of India (LODR) Regulations, 2015 of the Stock Exchanges is annexed.

31. MANAGEMENT DISCUSSION AND ANALYSIS

As required under the Schedule V (B) of SEBI (LODR) Regulations, 2015, report on "Management Discussion and Analysis" is attached and form part of this Annual Report.

32. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure B".

33. LISTING WITH STOCK EXCHANGES

Your Company is listed with one Stock Exchange i.e. BSE Limited and your Company has duly paid the listing fees to the Exchange.

34. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure C".

35. PARTICULARS OF EMPLOYEES

During the year, there was no employee in receipt of remuneration as prescribed in the Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The prescribed particulars of Employees as required under Section 197 (12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as "Annexure D" and form part of this Report.

36. HUMAN RESOURCES

The industrial relations at the manufacturing facilities of your Company have been cordial during the year. Employees are considered to be team members being one of the most critical resources in the business which maximize the effectiveness of the Organization. Human resources build the Enterprise and the sense of belonging would inculcate the spirit of dedication and loyalty amongst them towards strengthening your Company's Policies and Systems. Your Company maintains healthy, cordial and harmonious relations with all personnel and thereby enhancing the contributory value of the Human Resources.

37. ENVIRONMENT AND SAFETY

Your Company is conscious of the importance of environmentally clean and safe operations. Your Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

38. ENHANCING SHAREHOLDERS VALUE

Your Company believes that its Members are among its most important stakeholders. Accordingly, your Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive asset and resource base and nurturing overall corporate reputation. Your Company is also committed to creating value for its other stakeholders by ensuring that its corporate actions positively impact the socio-economic and environmental dimensions and contribute to sustainable growth and development.

39. GREEN INITIATIVES

Electronic copies of the Annual Report 2017 – 18 and Notice of the 34th Annual General Meeting are sent to all members whose email addresses are registered with your Company / Depository Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report 2017 – 18 and the Notice of the 34th Annual General Meeting under Section 101 of the Companies Act, 2013 are sent in the permitted mode. Members requiring physical copies can send a request to your Company.

Your Company provides e-voting facility to all its members to enable them to cast their votes electronically on all resolutions set forth in the Notice. This is pursuant to the Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015.

40. ACKNOWLEDGEMENTS

Your Directors thank the various Central and State Government Departments, Organizations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of your Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of your Company for their unstinted commitment and continued contribution to your Company.

41. CAUTIONARY STATEMENT

Statements in the Board's Report and the Management Discussion & Analysis describing your Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence your Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

For and on behalf of the Board of Directors

(Mr. Suresh N. Mutreja)
Chairman & Managing Director

(Mr. Varun S. Mutreja)
Director – Chief Financial Officer

(Mr. Kunal S. Mutreja)
Director – Chief Executive Officer

Place: Mumbai

Date: 21st May, 2018



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Economy Overview:

Textile and Apparel sector is a major sector globally. Since the initial stages of global industrialization, Textile and Apparel sector has remained at the forefront in generating employment and adding significantly to manufacturing output and exports for countries.

The textile industry comprises establishments that manufacture fiber, yarn, threads, carpets, rugs, linens and other textile products. This industry also comprises establishments engaged in processing fiber, yarn and fabric to produce finished products.

Asia Pacific was the largest region in the textiles manufacturing market in 2017, accounting for around 68% market share. This is largely due to the presence of many fabrics, apparels manufacturing and home furnishings facilities in the region. North America was the second largest region accounting for around 9% market share. Eastern Europe was the smallest region accounting for around 3% market share.

The market size section gives the textile manufacturing market revenues, covering both the historic growth of the market and forecasting the future.

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19.

The Indian textiles industry, currently estimated at around US\$ 120 billion, is expected to reach US\$ 230 billion by 2020. The Indian Textile Industry contributes approximately 2 per cent to India's Gross Domestic Product (GDP), 10 per cent of manufacturing production and 14 per cent to overall Index of Industrial Production (IIP).

Indian khadi products sales increased by 33 per cent year-on-year to Rs 2,005 crore (US\$ 311.31 million) in 2016-17 and is expected to exceed Rs 5,000 crore (US\$ 776.33 million) sales target for 2018-19, as per the Khadi and Village Industries Commission (KVIC).

The production of cotton in India is estimated to increase by 9.3 per cent year-on-year to reach 37.7 million bales in FY 2017-18. The total area under cultivation of cotton in India is expected to increase by 7 per cent to 11.3 million hectares in 2017-18, on account of expectations of better returns from rising prices and improved crop yields during the year 2016-17.

Indian exports of locally made retail and lifestyle products grew at a compound annual growth rate (CAGR) of 10 per cent from 2013 to 2016, mainly led by bedding bath and home decor products and textiles.

India's gross domestic product (GDP) at constant prices grew by 7.2 per cent in September-December 2017 quarter as per the Central Statistics Organisation (CSO). Corporate earnings in India are expected to grow by 15-20 per cent in FY 2018-19 supported by recovery in capital expenditure, according to JM Financial.

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute.

India's foreign exchange reserves were US\$ 422.53 billion in the week up to March 23, 2018, according to data from the RBI.

The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted Foreign Direct Investment (FDI) worth US\$ 2.82 billion during April 2000 to December 2017.

Some of the major investments in the Indian textiles industry are as follows:

- The Cabinet Committee on Economic Affairs (CCEA), Government of India has approved a new skill development scheme named 'Scheme for Capacity Building in Textile Sector (SCBTS)' with an outlay of Rs 1,300 crore (US\$ 202.9 million) from 2017-18 to 2019-20.
- Future Group is planning to open 80 new stores under its affordable fashion format, Fashion at Big Bazaar (FBB), and is targeting sales of 230 million units of garments by March 2018, which is expected to grow to 800 million units by 2021.
- Raymond has partnered with Khadi and Village Industries Commission (KVIC) to sell Khadi-marked readymade garments and fabric in KVIC and Raymond outlets across India.

- Max Fashion, a part of Dubai based Landmark Group, plans to expand its sales network to 400 stores in 120 cities by investing Rs 400 crore (US\$ 60 million) in the next 4 years.

Some of initiatives taken by the government to further promote the industry are as under:

The Indian government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100 per cent FDI in the Indian textiles sector under the automatic route.

Initiative will be taken into consideration by Government of India.

- The Union Ministry of Textiles, Government of India, along with Energy Efficiency Services Ltd (EESL), has launched a technology upgradation scheme called SAATHI (Sustainable and Accelerated Adoption of Efficient Textile Technologies to Help Small Industries) for reviving the power loom sector of India.
- The Government has planned to connect as many as 5 crore (50 million) village women to charkha (spinning wheel) in next 5 years with a view to provide them employment and promote khadi and also, they inaugurated 60 khadi outlets which were renovated and re-launched during the completion of KVIC's 60th anniversary and a khadi outlet.
- The Textiles Ministry will organise 'Hastkala Sahyog Shivirs' in 421 handloom-handicrafts clusters across the country which will benefit over 1.2 lakh weavers and artisans.
- The Gujarat government's decision to extend its textile policy by a year is set. It is believed to attract Rs 5,000 crore (US\$ 50 billion) of more investment in sectors across the value chain. The government estimates addition till now of a million units of spindle capacity in the spinning sector and setting up of over 1,000 units in technical textiles.
- The Textile Ministry of India earmarked Rs 690 crore (US\$ 106.58 million) for setting up 21 ready made garment manufacturing units in seven states for development and modernisation of Indian Textile Sector.

Some of initiatives taken by the government to further promote the industry are as under:

- The Directorate General of Foreign Trade (DGFT) has revised rates for incentives under the Merchandise Exports from India Scheme (MEIS) for two subsectors of Textiles Industry - Readymade garments and Made ups - from 2 per cent to 4 per cent.
- The Government of India plans to introduce a mega package for the power loom sector, which will include social welfare schemes, insurance cover, cluster development, and upgradation of obsolete looms, along with tax benefits and marketing support, which is expected to improve the status of power loom weavers in the country.

Outlook:

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market.

High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market. The domestic market for apparel and lifestyle products, currently estimated at US\$ 85 billion, is expected to reach US\$ 160 billion by 2025.

Indian textile and apparel trade associations are hopeful of the industry's growth in FY 2018-19 as the Economic Survey 2018, conducted by Ministry of Finance, has predicted 7-7.5 per cent growth in FY 2018-19 from 6.75% last fiscal.

The Economic Survey 2018, tabled in the Indian Parliament on January 29, 2018, also highlighted that exports will be the major cause of 'upside potential' for the country's economy. Additionally, the country will make a splendid comeback from the struggle of demonetisation and Goods and Services Tax (GST).

The Minister announced that allocation for the textile industry has been increased from Rs. 6,000 crores (in 2016) to Rs. 7,148 crores for FY 2018-19. The industry stakeholders have thanked the Indian Government on the move made but said that the allocated amount falls short of what is needed to take care of the Rebate of State Levies (RoSL) and Technology Upgradation Fund (TUF) schemes' backlog coupled with the current year's requirement.

Risks and concerns:

There are some areas of concerns, which need to be stated here. Along-with recovery, the textile industry is also facing increase in input prices in sync with the global trends and appreciating rupee. In our view, there is need for an integrated approach to be adopted for the development of the textile and clothing industry in the country. Such an approach is required to ward off any such situation



Valson Yarns - Creation Never Ends Here

where the strengths of one segment of the textile industry is being undermined by passing temporary relief to another segment of the industry leading to permanent damage to the complete textile value chain. In our views, if any segment suffers from some systemic disadvantages affecting its global competitiveness, it should be overcome through suitable incentives mechanism without affecting any other segment of the industry.

Company's Business

The Company has established its brand name "VALSON" in polyester texturised yarn since 1983. Today we are one of the leading manufacturers of Polyester Texturised & Twisted Yarn and Processors of Cotton, Polyester and other Fancy yarns in India with Customers having diverse uses its end-users comprise players from the shirting, suiting's, label, upholstery, hosiery, furnishings, automotive and ready-made garments industries etc. **Quality Products and Services** has been our top most priority and after continuous research, we have ventured into the dyeing of various qualities of yarns. We have more than 65000 shades in our data bank.

The Company is into manufacturing and exporter of Polyester Dyed Yarn and processors of **Cotton and other fancy yarn**. It has activities like Texturising, Twisting, Coning and Dyeing Plants to produce Quality Polyester Texturised Twisted Yarn and other fancy yarn. The Manufacturing process is as under:

The basic raw material used for texturising is Partially Oriented Yarn popularly known as POY. It is fragile, weak, delicate and easily breakable. POY does not have any purposeful use as it lacks the stability, strength, and therefore it cannot be directly used for weaving or knitting.

The term texturising means the production of a permanent crimp in the initially straight fiber or filament yarn. It increases the bulk and improves the elasticity of yarn. This activity fully draws POY yarn to comply with the market requirement and therefore it is different commercial commodity. The POY after the texturising process is known as "**Weft Yarn**". The twisted crimp yarn is hard, strong and not easily breakable. It gives the yarn a feel of natural like cotton or wool.

The "**Weft Yarn**" is further twisted for the purpose of imparting the required strength, which is necessary to withstand the high speed run on looms for the purpose of weaving. The twisted yarn is known in commercial parlance as "**Warp Yarn**".

The Texturised and twisted yarn is properly washed and thereafter is dyed under quality parameters to get Colour Strength, Tone, Dispersion and Sublimation fastness.

The Dyed Yarn is wound around standard size cones before they are packed for dispatch.

The Company has established its brand as reputed manufacturer of quality, polyester dyed yarn and processors of cotton and other fancy yarn. It has been supplying its products through the network of agents in market. There are about 10 to 15 major agents spread over in Maharashtra, Delhi, Punjab, Northern and Southern India.

There scope of activity of agents will also include the following: -

- 1) To book the orders and to render various incidental services including the monitoring of the follow up of the same.
- 2) To obtain the general market information and acquaint the Company from time to time.
- 3) To receive the payment and statutory forms for and on behalf of the Company in respect of direct invoice raised on the customers for supply of material delivered as per their instruction at anywhere in India.

The Company is exploring new avenues to increase the export base and has chalked out strategic growth plan for the potential market in Middle East, U K, Egypt, Mexico and other European markets.

We are getting incentives like duty drawback for export of our goods and have covered our products under Focus Scheme declared by Ministry of Commerce as an additional incentive to increase the export and capture global market.

Opportunities:

The biggest growth opportunity for the textile industry arises from the changed global scenario of quota free business environment. Valson Industries Limited has already grabbed the opportunity and is rapidly growing in the huge domestic and export market. India's strong performance and growth in the textiles sector is aided by several key advantages that the country enjoys, in terms of easy availability of labour and material, large market demand, presence of supporting industries and supporting policy initiatives from the government.

Threats:

Along with the opportunity that the quota free regime offers, there lies the threat of stiff global competition which indirectly would result in price pressure. Indian textile exporters are facing stiff competition and they lack policy and labour law reforms. But the Company through its quality production competes well with other players in this sector.

Segment-wise performance:

The Company's business activity falls within a single business segment viz. 'Yarns' and the sales substantially being in the domestic market, the financial statements are reflective of the information required by Accounting Standard 108 "Segment Reporting", notified under the Companies (Indian Accounting Standards) Rules, 2015.

Human Resources:

Valson recognizes that nurturing and developing human resources by recruiting the best talent is vital to the long term success of the Company. Employees are provided with continues opportunities for active learning and development which are viewed as the key drivers of our growth and thereby contributing to the success of the Company. The remuneration structure is linked directly with performance and reward.

The Company acknowledges that human resources are its biggest asset and hence who have been nurtured and strengthened over the years.

Insurance:

Valson Industries Limited has insured its assets and operations against all insurable risks including fire, earthquake, flood, and etc. as part of its overall risk management strategies.

Safety, Health and Environment

At Valson, safety is considered a high priority and all efforts are made to ensure safe working environment for employees. All probable incidents are analyzed and corrective actions are taken. Employees are trained in safe practices to be followed at work places at all the times.

Environmental Preservation:

Quality of human life is the most important factor to sustain life and this could be achieved through preservation of natural environment. The Company's R & D Department continues to develop new shades in an environmentally sustainable manner. The Company always consumes eco-friendly dyes, colours and chemicals. The Company has also installed an Effluent Treatment plant for proper treatment of waste water. Your Company's strength lies in consistent quality consciousness and eco-friendly awareness.

Material developments in Human Resources / Industrial Relations:

The Company has always considered human resources as the driving force for progress and success and they are the main assets of the Company. Management is of the firm belief that the growth of the Company is due to the continuous contribution from its manpower. The Company has the required number of skilled and semi-skilled persons and it constantly tries to improve their quality and productivity and provides a congenial working environment for them. The Company is committed for continual improvement in all aspects of social standard, business and employee's welfare to grow as an ethical business. We believe that harmony amongst employees, employer and business leads to socio economic improvement. The industrial relations continued to be extremely cordial during the year.

Internal control systems and their adequacy:

The Company has adequate system of internal controls to ensure that all the assets are safeguarded and are productive, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. Necessary checks and controls are in place to ensure that transactions are properly verified, adequately authorized, correctly recorded and properly reported. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter.

The Internal Audit department carried out audits in different areas of your Company's operations. Post audit reviews were carried out to ensure that audit recommendations were implemented and they monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented quarterly and yearly reports to the chairman of Audit Committee of the Board to maintain its objectivity and independence.

The Audit Committee reviewed the audit program and findings of the Internal Audit department and the Company when needed takes corrective actions.



Discussion on financial performance with respect to operational performance:

During the year, your Company has performed substantially well mainly due to its rich experience and concentration on optimum utilisation of capacity along with better conversion and also monitoring, controlling and restricting the manufacturing expenses. FY 2017-18 proved to be a challenging year amidst global economic uncertainties and disturbances in many parts of the world. Despite these constraints and challenging environment, the Company performed well and the highlights of the performance are as under:

1. There is a marginal decline in growth of 1.1% in texturising production (4711 MT) compared to last year (4763 MT).
2. There is a marginal decline in growth of 2.2% in twisting production (2610 MT) compared to last year (2667 MT).
3. There is a marginal decline in growth of 1.1% in Sales (5096 MT) compared to last year (5153 MT).
4. There is decrease of 0.2% in terms of revenue from operations (Rs. 9892.46 Lakhs) compared to last year (Rs. 9916.68 Lakhs).
5. Power cost has been reduced by 0.5% to (Rs. 943.82 Lakhs) compared to last year (Rs. 948.84 Lakhs).
6. During the year company has availed a term loan for need based expansions which results in increase in finance cost to Rs. 54.73 Lakhs from Rs. 43.37 Lakhs (i.e. increase of 26.2%).
7. Depreciation is Rs. 287.88 Lakhs and has increased in comparison to last year amount of (Rs. 262.63 Lakhs).
8. The Operating Profit (PBOIDT) before other income and Interest and Depreciation and Tax increased by 6.6% Rs. 635.99 Lakhs as compared to last year amount of (Rs. 596.84 Lakhs).
9. The Net Profit before Tax increased by 1.7% Rs. 357.57 Lakhs as compared to last year amount of (Rs. 351.43 Lakhs).

The Company shall direct all its efforts and resources towards a strong and healthy shareholders wealth creation.

For and on behalf of the Board of Directors

Mumbai

Date: 21st May, 2018

Suresh N Mutreja

Chairman & Managing Director

ANNEXURE 'A' TO BOARD'S REPORT
SECRETARIAL AUDIT REPORT
FORM NO. MR-3

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

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

To,
The Members,
Valson Industries Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Valson 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 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 ended on 31st March, 2018 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:

1. The Companies Act, 2013 ('the Act') and the rules made thereunder;
2. The Securities Contracts ('Regulation') Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. 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; **(Not Applicable to the Company during audit period)**.
5. 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;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the Company during audit period)**.
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities), Regulations, 2008. **(Not Applicable to the Company during audit period)**.
 - f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agent), Regulations, 1993. Regarding the Companies Act, 2013 and dealing with the clients.
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares), Regulations, 2009. **(Not Applicable to the Company during audit period)**.
 - h) The Securities and Exchange Board of India (Buyback of Securities), Regulations, 1998. **(Not Applicable to the Company during audit period)**.

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

- 1) Secretarial Standards issued by the Institute of Company Secretaries of India i.e. Secretarial Standards – 1 for Board Meetings and Secretarial Standards – 2 for General Meetings.
- 2) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 qualifications:



A. Appointment of Company Secretary:

As per Section 203 (1) (ii), the Company is required to appoint Company Secretary. *The Company has not appointed Company Secretary, consequently the Annual Audited Financial Statements are not signed by Company Secretary.* In this regard the management of the Company has provided the following reply:

- i. The Company has appointed Mr. Pritesh Shah as Compliance Officer of the Company to ensure compliance of the Companies Act, 2013 and SEBI Act and rules made there under.
- ii. The Company has availed the services of Practicing Company Secretary to advice on the compliance of the Companies Act, 2013 and the SEBI Act and rules made there under.
- iii. The Volume and Scope of work for the Company Secretary is less and it is not a full time work and the job of Company Secretary is not attractive commensurate with the scope of work and salary.

B. Cost Audit Report:

As per Section 148, the Company is required to obtain Cost Audit Report for the financial year 2015-16. *During the year, the Company has failed to file Form CRA-4 (Cost Audit Report for the financial year 2015-16) with Registrar of Companies, Mumbai, Maharashtra.* In this regard the management of the Company has provided the following reply:

- i. After the closure of financial year 2017-18, the Company has obtained the Cost Audit Report for the financial year 2015-16 and filed the same with Registrar of Companies, Mumbai, Maharashtra.

I further report that

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.

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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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, there were no instances of:

1. Public / Right / Preferential issue of shares / Debentures / Sweat Equity, etc.
2. Redemption / Buy-Back of Securities
3. Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013
4. Merger / Amalgamation / Reconstruction, etc.
5. Foreign Technical Collaborations

Place: Mumbai
Date: May 21, 2018

Punit Shah
Practicing Company Secretary
ACS No. 20536, C P No.: 7506

**ANNEXURE 'B' TO BOARD'S REPORT
CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND
FOREIGN EXCHANGE EARNINGS AND OUTGO**

[Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

<p>Disclosure under the companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988</p> <p>FORM A</p> <p>(A) Power and Fuel Consumption:</p> <p>1. Electricity</p> <table border="1"> <thead> <tr> <th></th> <th align="center">Current Year</th> <th align="center">Previous Year</th> </tr> </thead> <tbody> <tr> <td>(i) Purchased</td> <td align="right">31.03.2018</td> <td align="right">31.03.2017</td> </tr> <tr> <td>Avg. Unit Rate(Rs./KWH)</td> <td align="right">4.97</td> <td align="right">5.34</td> </tr> <tr> <td>Units (KWH/Lakhs)</td> <td align="right">125.92</td> <td align="right">125.45</td> </tr> <tr> <td>Total Amount (Rs. In Lakhs)</td> <td align="right">625.69</td> <td align="right">669.67</td> </tr> <tr> <td>(ii) Own Generation through D. G. Sets:</td> <td></td> <td></td> </tr> <tr> <td>Unit Rate (Rs./KWH)</td> <td align="right">21.20</td> <td align="right">19.82</td> </tr> <tr> <td>Units (KWH/Lakhs)</td> <td align="right">0.25</td> <td align="right">0.16</td> </tr> <tr> <td>Total Amount (Rs. In Lakhs)</td> <td align="right">5.28</td> <td align="right">3.27</td> </tr> </tbody> </table> <p>2. Coal</p> <table border="1"> <tbody> <tr> <td>Qty. (M. Tons)</td> <td align="right">5816.995</td> <td align="right">5115.50</td> </tr> <tr> <td>Total Cost (Rs. In Lakhs)</td> <td align="right">264.04</td> <td align="right">253.71</td> </tr> <tr> <td>Avg. Rate (Rs./MT)</td> <td align="right">4539.12</td> <td align="right">4959.57</td> </tr> </tbody> </table> <p>3. Furnace Oil</p> <p align="center">Not Applicable</p> <p>(B) Consumption per Unit of Production:</p> <table border="1"> <tbody> <tr> <td>Electricity (KWH per Tonne of Yarn)</td> <td align="right">2679.330</td> <td align="right">2637.91</td> </tr> <tr> <td>Coal</td> <td></td> <td></td> </tr> <tr> <td>MT per Tonne of Yarn)</td> <td align="right">1.24</td> <td align="right">1.10</td> </tr> </tbody> </table>		Current Year	Previous Year	(i) Purchased	31.03.2018	31.03.2017	Avg. Unit Rate(Rs./KWH)	4.97	5.34	Units (KWH/Lakhs)	125.92	125.45	Total Amount (Rs. In Lakhs)	625.69	669.67	(ii) Own Generation through D. G. Sets:			Unit Rate (Rs./KWH)	21.20	19.82	Units (KWH/Lakhs)	0.25	0.16	Total Amount (Rs. In Lakhs)	5.28	3.27	Qty. (M. Tons)	5816.995	5115.50	Total Cost (Rs. In Lakhs)	264.04	253.71	Avg. Rate (Rs./MT)	4539.12	4959.57	Electricity (KWH per Tonne of Yarn)	2679.330	2637.91	Coal			MT per Tonne of Yarn)	1.24	1.10	<p>Form B</p> <p>(I) Development</p> <p>During the year of review, the Company carried out its in-house development of additional innovative shades at the Laboratory, where new shades are constantly developed and introduced in the market for commercial acceptance. The Company has no immediate plans for conducting any further research and development activities and hence providing any details of expenditure to be incurred is not applicable.</p> <p>(II) Technology Absorption, Adaptation & Innovation</p> <p>The Company has not absorbed or adopted any technology other than provided by the plant suppliers for manufacturing of texturising, twisting and dyeing of yarn.</p> <p align="right">For and on behalf of the Board</p> <p align="right">Mr. Suresh N. Mutreja Chairman & Managing Director</p> <p>Place: Mumbai Date: 21st May, 2018</p>
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ANNEXURE 'C' TO BOARD'S REPORT

EXTRACT OF ANNUAL RETURN

As on the financial year ended 31.03.2018

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

FORM NO. MGT – 9

I. REGISTRATION AND OTHER DETAILS:

CIN	L17110MH1983PLC030117
Registration Date	2 nd June, 1983
Name of the Company	VALSON INDUSTRIES LIMITED
Category of the Company	Company limited by Shares
Sub-Category of the Company	Indian Non-Government Company
Address of the Registered Office and Contact details	28, Bldg.No.6, Mittal Industrial Estate, Sir M. V. Road, Andheri (E), Mumbai – 400 059 Tel. No. 022 4066 1000 Fax No. 022 4066 1199 Email: pritesh@valsonindia.com
Whether Listed Company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083. Tel No: 022 4918 6000 Fax: 022 4918 6060 Email: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Manufacture of synthetic or artificial filament yarn, tenacity yarn whether or not textured including high tenacity yarn	20203	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
Nil	Nil	Nil	Nil	Nil

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2017)				No. of Shares held at the end of the year (As on 31.03.2018)				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	4666159	0	4666159	60.91	4886209	0	4886209	63.78	+2.87
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
e) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total(A) (1):	4666159	0	4666159	60.91	4886209	0	4886209	63.78	+2.87



Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2017)				No. of Shares held at the end of the year (As on 31.03.2018)				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
(2) Foreign									
a) NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/ FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub- Total (A) (2):	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	4666159	0	4666159	60.91	4886209	0	4886209	63.78	+2.87
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds / UTI	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (B)(1):	0	0	0	0.00	0	0	0	0.00	0.00
(2)Non-Institutions									
a) Bodies Corporate									
i) Indian	112259	0	112259	1.48	159244	0	159244	2.08	+0.60
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i)Individual shareholders holding nominal share capital up to Rs. 2 Lakhs	1514338	138410	1652748	21.57	1412579	135210	1547789	20.20	-1.37
ii)Individual shareholders holding nominal share capital in excess of Rs. 2 Lakhs	721732	0	721732	9.42	687431	0	687431	8.97	-0.45
c) Others (specify)									
i) NRI / OCBs	138940	0	138940	1.81	137952	0	137952	1.80	-0.01
ii) Clearing Members / Clearing House	44195	0	44195	0.58	13766	0	13766	0.18	-0.40
iii) Hindu Undivided Family	324767	0	324767	4.24	228409	0	228409	2.98	-1.26
Sub-Total (B)(2):	2856231	138410	2994641	39.09	2639381	135210	2774591	36.22	-2.87
Total Public Shareholding Public Group (B)= (B)(1)+(B)(2)	2856231	138410	2994641	39.09	2639381	135210	2774591	36.22	-2.87
Total (A) + (B)	7522390	138410	7660800	100.00	7525590	135210	7660800	100.00	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	7522390	138410	7660800	100.00	7525590	135210	7660800	100.00	0.00



ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year (As on 01.04.2017)			Shareholding at the end of the year (As on 31.03.2018)			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged/ encumbered to total shares	
1.	Suresh N. Mutreja	1587000	20.72	0.00	1679500	21.92	0.00	+1.21
2.	Kunal S. Mutreja	800682	10.45	0.00	850682	11.10	0.00	+0.65
3.	Asha S. Mutreja	679000	8.86	0.00	734050	9.58	0.00	+0.72
4.	Varun S. Mutreja	362200	4.73	0.00	362200	4.73	0.00	0.00
5.	Suresh N. Mutreja (HUF)	495200	6.46	0.00	495200	6.46	0.00	0.00
6.	Ankit S. Mutreja	224968	2.94	0.00	289968	3.79	0.00	+0.85
7.	Nanakchand D. Mutreja (HUF)	92500	1.21	0.00	0.00	0.00	0.00	-1.21
8.	Tina K. Mutreja	157000	2.05	0.00	157000	2.05	0.00	0.00
9.	Kunal S. Mutreja (HUF)	134000	1.75	0.00	134000	1.75	0.00	0.00
10.	Shweta V. Mutreja	95609	1.25	0.00	120609	1.57	0.00	+0.32
11.	Saachi A. Mutreja	38000	0.50	0.00	63000	0.82	0.00	+0.32
	Total	4666159	60.91	0.00	4886209	63.78	0.00	+2.87

iii) Change in Promoters' Shareholding (Please specify, if there is no change)

Sr. No.	Shareholders Name	Shareholding at the beginning of the year (As on 01.04.2017)		Cumulative Shareholding during the year (As on 31.03.2018)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	ANKIT S. MUTREJA				
	At the beginning of the year	2,24,968	2.94		
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	+15,000 (Acquisition on 24/08/2017)	+0.19	2,39,968	3.13
		+25,000 (Acquisition on 24/11/2017)	+0.33	2,64,968	3.46
		+25,000 (Acquisition on 29/01/2018)	+0.33	2,89,968	3.79
	At the end of the year			2,89,968	3.79
2.	ASHA S. MUTREJA				
	At the beginning of the year	6,79,000	8.86		
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	+55,050 (Acquisition on 24/08/2017)	+0.72	7,34,050	9.58
	At the end of the year			7,34,050	9.58

Sr. No.	Shareholders Name	Shareholding at the beginning of the year (As on 01.04.2017)		Cumulative Shareholding during the year (As on 31.03.2018)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
3.	KUNAL S. MUTREJA				
	At the beginning of the year	8,00,682	10.45		
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	+50,000 (Acquisition on 24/08/2017)	+0.65	8,50,682	11.10
	At the end of the year			8,50,682	11.10
4.	SURESH N. MUTREJA				
	At the beginning of the year	15,87,000	20.72		
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	+92,500 (Transmission on 10/11/2017)	+1.21	16,79,500	21.93
	At the end of the year			16,79,500	21.93
5.	NANAKCHAND D MUTREJA HUF				
	At the beginning of the year	92,500	1.21		
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-92,500 (Transmission on 10/11/2017)	-1.21	0.00	0.00
	At the end of the year			0.00	0.00
6.	SHWETA V MUTREJA				
	At the beginning of the year	95,609	1.25		
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	+25,000 (Acquisition on 24/11/2017)	+0.33	1,20,609	1.57
	At the end of the year			1,20,609	1.57
7.	SAACHI A MUTREJA				
	At the beginning of the year	38,000	0.50		
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	+25,000 (Acquisition on 29/01/2018)	+0.33	63,000	0.82
	At the end of the year			63,000	0.82



iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (As on 01.04.2017)		Shareholding at the end of the year (As on 31.03.2018)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Seema D. Mutreja	177000	2.31	0	0.00
2.	Sunil N. Mutreja	164315	2.14	164315	2.14
3.	Madan Bhagchand Melwani	107518	1.40	93942	1.23
4.	Sunil N. Mutreja (HUF)	105050	1.37	0	0.00
5.	Mahendra Chandulal Dharu	77255	1.01	91891	1.20
6.	Rita Sunil Mutreja	60993	0.80	60993	0.80
7.	Vinod N. Mutreja	56946	0.74	50317	0.66
8.	Kalpana Gupta	54869	0.72	42978	0.56
9.	Premilaben Mahendra Kumar Dharu	54666	0.71	105152	1.37
10.	Shashi Rani Gupta	47813	0.62	47813	0.62
11.	Duby Rex	0	0.00	60000	0.78
12.	Mahendra R. Shah	45500	0.59	45500	0.59

v) Shareholding of Directors and Key Managerial Personnel

Particulars	Shareholding at the beginning of the year (As on 01.04.2017)		Cumulative Shareholding during the year (As on 31.03.2018)	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
A. DIRECTORS				
At the beginning of the year	Promoter Director Shareholding and their changes have already been given in the earlier table. Mr. Chandan Gupta and Mr. Pradip C. Shah (Independent Directors) do not hold any shares in the Company. Mr. Surendra Kumar Suri holds only 400 Shares at the beginning and at the end of the year.			
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/bonus/sweat equity etc)				
At the end of the year				
B. KEY MANAGERIAL PERSONNEL				
At the beginning of the year	Not Applicable			
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/bonus/sweat equity etc)				
At the end of the year				

V. INDEBTEDNESS

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

(Rs. in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2017)				
i) Principal Amount	469.74	0.00	60.00	529.74
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	469.74	0.00	60.00	529.74
Change in Indebtedness during the financial year				
Addition	340.40	0.00	68.00	408.40
Reduction	157.86	0.00	0.00	157.86
Net Change	182.54	0.00	68.00	250.54
Indebtedness at the end of the financial year (31.03.2018)				
i) Principal Amount	652.28	0.00	128.00	780.28
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	652.28	0.00	128.00	780.28

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

Sr. No.	Particulars of Remuneration	Suresh N. Mutreja	Asha S. Mutreja	Varun S. Mutreja	Kunal S. Mutreja*	Total Amount (Rs. in Lakhs)
		WTD	WTD	Director & CFO	Director & CEO	
1	Gross Salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	30.00	6.00	18.00	15.00	69.00
	(b) Value of perquisites under Section 17(2) income Tax Act, 1961	2.40	0.00	0.00	0.00	2.40
	(c) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961	0.00	0.00	0.00	0.00	0.00
2	Stock Options	0.00	0.00	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00	0.00	0.00
4	Commission	0.00	0.00	0.00	0.00	0.00
	- as % of profit	0.00	0.00	0.00	0.00	0.00
	- others, specify	0.00	0.00	0.00	0.00	0.00
5	Others, please specify (Provident Fund)	2.52	0.36	1.22	1.02	5.12
	TOTAL (A)	34.92	6.36	19.22	16.02	76.52
	Ceiling As Per The Act	Minimum Remuneration up to Rs. 14,00,000 per month	Minimum Remuneration up to Rs. 7,00,000 per month	Minimum Remuneration up to Rs. 7,00,000 per month	Minimum Remuneration up to Rs. 7,00,000 per month	--

*From June, 2017 to March 2018



B. Remuneration to other Directors:

1. Independent Directors

Particulars of Remuneration	Chandan S. Gupta	Surendra Kumar Suri	Pradip C. Shah	Radhika V. Shah	Total Amount (In Rs.)
- Fee for attending Board/Committee Meetings	90,000	90,000	90,000	40,000	3,10,000
- Commission	0	0	0	0	0
- Others, please specify	0	0	0	0	0
Total (B)(1)	90,000	90,000	90,000	40,000	3,10,000

2. Other Non Executive Directors

Particulars of Remuneration	Name of Director	Total Amount (In Rs.)
- Fee for attending Board / Committee Meetings		0.00
- Commission		0.00
- Others, please specify		0.00
Total (B)(2)		0.00
Total (B)= (B)(1)+(B)(2)		3,10,000
Overall Ceiling as per the Act		Upto Rs. 100000 per meeting

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

Sr. No.	Particulars of Remuneration	Mr. Pritesh H. Shah	Mr. Kunal S. Mutreja*	Total Amount (Rs. in Lakhs)
		Head Compliance	CEO	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	10.64	3.00	13.64
	(b) Value of perquisites under Section 17(2) income Tax Act, 1961	0.15	0.52	0.67
	(c) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961	0.00	0.00	0.00
2.	Stock Options	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00
4.	Commission	0.00	0.00	0.00
	- as % of profit	0.00	0.00	0.00
	- others, specify	0.00	0.00	0.00
5.	Others, please specify	0.00	0.00	0.00
	TOTAL (C)	10.79	3.52	14.31

*Till May, 2017

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Sections of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding Fees imposed	Authority (RD/NCLT/ COURT)	Appeal made, if any (give details)
A. COMPANY					
Penalty			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

ANNEXURE 'D' TO BOARD'S REPORT

DISCLOSURES PERTAINING TO REMUNERATION AND OTHER DETAILS AS REQUIRED UNDER SECTION 197(12) READ WITH RULE 5(1) OF COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

PARTICULAR OF EMPLOYEES

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197 (12) of the Companies Act, 2013 read with Rule (5) (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Requirements	Details
1.	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	Mr. Suresh N. Mutreja – Chairman – 11.8:1 Mrs. Asha S. Mutreja – WTD – 2.2:1 Mr. Varun S. Mutreja – Director – 7:1 Mr. Kunal S. Mutreja – Director – 5.4:1
2.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Key Managerial Personnel Mr. Suresh N. Mutreja – Chairman – MD – 7.37% Mrs. Asha S. Mutreja – WTD – Nil Mr. Varun S. Mutreja – Director – CFO – Nil Mr. Kunal S. Mutreja – Director – CEO – Nil
3.	The percentage increase in the median remuneration of employees in the financial year	7.70%
4.	The number of permanent employees on the rolls of Company as on 31 st March, 2018	904 Employees
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Nil
6.	Affirmation that the remuneration is as per the remuneration policy of the Company	Remuneration paid during the year ended 31 st March, 2018 is as per the Remuneration Policy of the Company

**Appointed on 27th May, 2017*



CORPORATE GOVERNANCE REPORT

Pursuant to Part C of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

For The Financial Year 31st March, 2018

The Directors' Report on the compliance of the Corporate Governance Code is given below.

1. CORPORATE GOVERNANCE

1.1 Company's Philosophy on Corporate Governance

Corporate Governance is about commitment to values and ethical business conduct. We look upon good corporate governance practices as a key driver of sustainable corporate growth and long-term shareholders value creation. Good Corporate Governance is about enhancing value for all our stakeholders. The Company is committed to adopt best practices in corporate governance and disclosures. This includes its corporate and other structures, its culture, policies and the manner in which it deals with various stakeholders. Accordingly, a timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the Company is an important part of corporate governance.

The Company places great emphasis on values such as empowerment and integrity of its employees, safety of the employees & communities surrounding our plants, place of work, transparency in decision making process, fair & ethical dealings with all, pollution free clean environment and last but not the least, accountability to all the stakeholders. These practices being followed since the inception have contributed to the Company's sustained growth. The Company also believes that its operations should ensure that the precious natural resources are utilized in a manner that contributes to the "Triple Bottom Line".

The Company believes that sound corporate governance is critical to enhance and retain investors' trust. The Company's corporate governance philosophy is based on the following principles:

1. Primary responsibility of a good corporate entity is maximizing shareholders value.
2. Be transparent and maintain a high degree of disclosures level.
3. Sound system of risk management and internal control.
4. Principles of integrity, transparency, disclosures, accountability and fairness.
5. Upholding the highest standards of professionalism.
6. Management is the trustee of the shareholders capital and not the owner.

A Report on compliance with the principles of Corporate Governance as prescribed by The Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Regulations") is given below:

1.2 The Governance Structure

Valson's Governance structure broadly comprises the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. This layered structure brings about a harmonious blend in governance as the Board sets the overall corporate objectives and gives direction and freedom to the Management to achieve these corporate objectives within a given framework, thereby bringing about an enabling environment for value creation through sustainable profitable growth.

- a. Board of Directors** – The Valson Board plays a pivotal role in ensuring that the Company runs on sound and ethical business practices and that its resources are utilized for creating sustainable growth and societal wealth. The Board operates within the framework of a well defined responsibility matrix which enables it to discharge its fiduciary duties of safeguarding the interest of the Company; ensuring fairness in the decision making process, integrity and transparency in the Company's dealing with its Members and other stakeholders.
- b. Committee of Directors** - With a view to have a more focused attention on various facets of business and for better accountability, the Board has constituted the following committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee. Each of these Committees has been mandated to operate within a given framework.
- c. Management Structure**- Management structure for running the business as whole is in place with appropriate delegation of powers and responsibilities to the functional heads. The Managing Director and CFO are in overall control and responsible for day-to-day working of the Company. They give strategic direction, lay down policy guidelines and ensure implementation of the Board of Directors and its various committees.

2. BOARD OF DIRECTORS

2.1 Composition and Category of Directors

The Board consists of 8 Directors, out of which 3 are Independent Directors. Composition of the Board and category of Directors are as follows:

Name of the Directors	Category	Promoter/ Independent	Relationship with Directors
Mr. Suresh N. Mutreja	Chairman & Managing Director	Promoter	Father of Mr. Varun S. Mutreja and Mr. Kunal S. Mutreja and Husband of Mrs. Asha S. Mutreja
Mr. Varun S. Mutreja	Director- Chief Financial Officer	Promoter	Son of Mr. Suresh N. Mutreja and Mrs. Asha S. Mutreja and Brother of Mr. Kunal S. Mutreja
*Mr. Kunal S. Mutreja	Director- Chief Executive Officer	Promoter	Son of Mr. Suresh N. Mutreja and Mrs. Asha S. Mutreja & brother of Mr. Varun S. Mutreja
Mrs. Asha S. Mutreja	Whole-Time Director	Promoter	Wife of Mr. Suresh N. Mutreja and Mother of Mr. Varun S. Mutreja and Mr. Kunal S. Mutreja
Mr. Chandan S. Gupta	Non Executive	Independent	Not Related to any Directors
Mr. Surendra Kumar Suri	Non Executive	Independent	Not Related to any Directors
Mr. Pradip C. Shah	Non Executive	Independent	Not Related to any Directors
*Mrs. Radhika V. Shah	Non Executive	Independent	Not Related to any Directors

*Appointed on 27th May, 2017

*Appointed on 05th August, 2017

The Company has received declaration from Independent Directors that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

The Company is also compliant with composition of Board of Directors with minimum two Independent Directors as prescribed under Section 149(4) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014. The Company has also complied with Regulation 17 of SEBI Regulations with 3 Promoter Executive Directors and 3 Non-Executive Independent Directors.

2.2 Board Training and Induction

At the time of appointing a Director, a formal letter of appointment is given to him / her, which inter alia explains the role, function, duties and responsibilities expected of him / her as a Director of the Company. The Director is also explained in detail the compliances required from him / her under the Companies Act, SEBI Regulations and other relevant regulations and his affirmation taken with respect to the same. The CEO & MD also has a one-to-one discussion with the newly appointed Director. The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him / her to effectively fulfill his / her role as a Director of the Company.

2.3 Board Meetings held during the Year

Dates on which the Board Meetings were held	Total Strength of the Board	No of Directors Present
27 th May, 2017	6	6
05 th August, 2017	8	8
14 th November, 2017	8	8
13 th February, 2018	8	8

Attendance of each Director at the Board Meeting and Last Annual General Meeting

Date of Board Meetings	Mr. Suresh N. Mutreja	Mr. Varun S. Mutreja	Mrs. Asha S. Mutreja	Mr. Kunal S. Mutreja	Mr. Chandan S. Gupta	Mr. Surendra Kumar Suri	Mr. Pradip C. Shah	Mrs. Radhika V. Shah
27 th May, 2017	Present	Present	Present	NA	Present	Present	Present	NA
05 th August, 2017	Present	Present	Present	Present	Present	Present	Present	Present
14 th November, 2017	Present	Present	Present	Present	Present	Present	Present	Present
13 th February, 2018	Present	Present	Present	Present	Present	Present	Present	Present
Total Attendance (out of 4 Board Meetings)	4	4	4	3	4	4	4	3
Attendance at Last AGM	Present	Present	Present	Present	Present	Present	Present	NA



- 2.4 a. Number of other Companies where director (of VIL) hold memberships on the Board of Directors:
 b. Number of Committees in which the Directors (of VIL) hold Memberships or Chairmanships:

Name of Director	No. of Directorship held in Indian public limited Companies (including VIL)	**Number of Committee Memberships / Chairmanships (including VIL)	
		Chairman	Member
Mr. Suresh N. Mutreja	1	0	0
Mr. Chandan S. Gupta	1	1	0
Mr. Surendra Kumar Suri	1	0	2
Mr. Varun S. Mutreja	1	0	2
Mrs. Asha S. Mutreja	1	0	0
Mr. Pradip C. Shah	1	1	1
*Mr. Kunal S. Mutreja	1	0	0
*Mrs. Radhika V. Shah	1	0	0

*Appointed on 27th May, 2017

#Appointed on 05th August, 2017

**Only Public Limited Companies (Listed and Unlisted) have been taken into consideration while calculating Other Directorships, Committee Memberships and Committee Chairmanships.

The Board periodically reviews the items required to be placed before it and in particular reviews and approves quarterly / half yearly unaudited financial statements and the audited annual financial statements, corporate strategies, business plans, annual budgets, projects and capital expenditure. It monitors overall operating performance, and reviews such other items which require Board's attention. It directs and guides the activities of the Management towards the set goals and seeks accountability. It also sets standards of corporate behavior, ensures transparency in corporate dealings and compliance with laws and regulations. The Agenda for the Board Meeting covers items set out as guidelines in SEBI Regulations to the extent these are relevant and applicable. All agenda items are supported by relevant information, documents and presentations to enable the Board to take informed decisions.

3. COMMITTEES OF THE BOARD

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following *mandatory* committees viz. *Audit Committee, Stakeholders' Relationship Committee and Nomination and Remuneration Committee*. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all Directors individually and tabled at the Board Meetings.

3.1 Audit Committee

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its overall responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities.

The Committee is governed by Terms of Reference which is in line with the regulatory requirements mandated by the Companies Act, 2013 and SEBI Regulations. Some of the important functions performed by the Committee are:

3.1.1 Financial Reporting and Related Processes

- Oversight of the Company's financial reporting process and financial information submitted to the Stock Exchanges, regulatory authorities or the public.
- Reviewing with the Management the quarterly Un-Audited Financial Results and the Auditors' Limited Review Report thereon / Audited Annual Financial Statements and Auditors' Report thereon before submission to the Board for approval. This would, inter alia, include reviewing changes in the accounting policies and reasons for the same, major accounting estimates based on exercise of judgment by the Management, significant adjustments made in the financial statements and / or recommendation, if any, made by the Statutory Auditors in this regard.
- Review the Management Discussion & Analysis of financial and operational performance.
- Discuss with the Statutory Auditor its judgment about the quality and appropriateness of the Company's accounting principles with reference to the Indian Accounting Standards (IND-AS).
- Review the investments made by the Company.

3.1.2 Internal Controls and Governance Processes

- Review the adequacy and effectiveness of the Company's system and internal controls.
- Review and discuss with the Management the Company's major financial risk exposures and steps taken by the Management to monitor and control such exposure.
- To oversee and review the functioning of a vigil mechanism (implemented in the Company as a Fraud Risk Management Policy) and to review the findings of investigation into cases of material nature and the actions taken in respect thereof.

3.1.3 Audit

- Review the scope of the Statutory Auditors, the annual audit plan and the Internal Audit Plan with a view to ensure adequate coverage.
- Review the significant audit findings from the statutory and internal audits carried out, the recommendations and Management's response thereto.
- Review and recommend to the Board the appointment/re-appointment of the Statutory Auditors and Cost Auditors considering their independence and effectiveness and their replacement and removal.
- Approve such additional services to be rendered by the Statutory Auditors except those enumerated in Section 144 of the Companies Act, 2013 and payment for such services.
- To recommend to the Board the remuneration of the Statutory Auditors/Cost Auditors.
- To discuss with the Statutory Auditors/Chief Internal Auditors any significant difficulties encountered during the course of the Audit.
- Review annual Cost Audit Report submitted by the Cost Auditor.

3.1.4 Other Duties

- To approve the appointment, removal and terms of remuneration of the Chief Internal Auditor and to approve the appointment of the Chief Financial Officer.
- To grant omnibus approval for related party transactions which are in the ordinary course of business and on an arm's length pricing basis and to review and approve such transactions subject to the approval of the Board.

The composition of the Audit Committee as at 31st March, 2018 and details of the Members participation at the Meetings of the Committee are as under:

Date of Meeting	Mr. Chandan S. Gupta[†]	Mr. Surendra Kumar Suri[#]	Mr. Varun S. Mutreja[@]	Mr. Pradip S. Shah[§]
27 th May, 2017	Present	Present	Present	Present
05 th August, 2017	Present	Present	Present	Present
14 th November, 2017	Present	Present	Present	Present
13 th February, 2018	Present	Present	Present	Present
Total (out of 4 meetings)	4	4	4	4

[†]Chairman & Non Executive Independent Director

[#]Member & Non Executive Independent Director

[@]Member & Executive Director – CFO

[§]Member & Non Executive Independent Director

The present constitution of the Audit Committee is compliant with Section 177(2) of the Companies Act, 2013. The Company has adopted at its Board Meeting held on May 30, 2014 the terms of reference of Audit Committee as prescribed under Section 177(4) of the Companies Act, 2013 w.e.f. 1st April, 2014. All the Members on the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

M/s. M. A. Parikh & Co., Statutory Auditors are invited to attend the Audit Committee Meetings. Also M/s. N. R. Agarwal & Co., Internal Auditors are invited to attend the Audit Committee Meetings.

The Minutes of the meetings of the Audit Committee are circulated to all the members of the Board.

The Chairman of the Audit Committee will be present at the Annual General Meeting, to answer the shareholders queries, if any.

3.2 Stakeholders' Relationship Committee

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the SEBI Regulations, the Stakeholders' Relationship Committee comprises three Members of which two Members are Independent Directors.



3.2.1 Terms of Reference of the Committee

- transfer / transmission of shares / debentures and such other securities as may be issued by the Company from time to time;
- issue of duplicate share certificates for shares / debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities;
- issue and allot right shares / bonus shares pursuant to a Rights Issue / Bonus Issue made by the Company, subject to such approvals as may be required;
- to grant Employee Stock Options pursuant to approved Employees' Stock Option Scheme(s), if any, and to allot shares pursuant to options exercised;
- to issue and allot debentures, bonds and other securities, subject to such approvals as may be required;
- to approve and monitor dematerialization of shares / debentures / other securities and all matters incidental or related thereto;
- to authorize the Company Secretary and Head Compliance / other Officers of the Share Department to attend to matters relating to non receipt of annual reports, notices, non receipt of declared dividend / interest, change of address for correspondence etc. and to monitor action taken;
- monitoring expeditious redressal of investors / stakeholders grievances;
- all other matters incidental or related to shares, debentures and other securities of the Company.

The composition of the Stakeholders' Relationship Committee as at 31st March, 2018 and details of the Members participation at the Meetings of the Committee are as under:

Date of Meeting	Mr. Pradip C. Shah*	Mr. Surendra Kumar Suri#	Mr. Varun S. Mutreja@
27 th May, 2017	Present	Present	Present
05 th August, 2017	Present	Present	Present
14 th November, 2017	Present	Present	Present
13 th February, 2018	Present	Present	Present
Total (out of 4 meetings)	4	4	4

*Chairman & Non- Executive Independent Director

#Member & Non- Executive Independent Director

@Member & Executive Director – CFO

3.2.2 Compliance Officer

As required by the SEBI Regulations, the Company has appointed Mr. Pritesh H. Shah as the Compliance Officer. Email address of Compliance Officer is pritesh@valsonindia.com.

3.2.3 Status of Transfers

During the year ended 31st March, 2018, 500 shares in physical form were processed for transfer. There were no pending share transfers as on 31st March, 2018.

3.2.4 Complaints

During the financial year ended 31st March, 2018, 02 complaints were received from the shareholders. Out of the total complaints received during the year 1 was pending as on 31st March, 2018. The complaints relate to non-receipt of annual report, dividend, share transfers, etc.

Opening as on 1 st April, 2017	Nil
Received during the year	02
Disposed of during the year	01
Closing as on 31 st March, 2018	01

3.3 Nomination and Remuneration Committee (NRC)

In compliance with Section 178 of the Companies Act, 2013 and SEBI Regulations, the Nomination and Remuneration Committee (NRC) comprises of three Members out of which all three Members are Independent Directors.

3.3.1 Terms of Reference

- The Committee shall identify the persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the board their appointment and removal and shall carry out evaluation of every directors performance.
- Lay down the criteria for determining the qualifications, positive attributes and independence of a Director and further recommend to the Board the policy for remuneration of Director, Key Managerial Personnel and Employees.

3.3.2 Remuneration Policy

While formulating the policy the Committee has to ensure that:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Remuneration to directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The composition of the Nomination and Remuneration Committee as at 31st March, 2018 and the details of Members participation at the Meetings of the Committee are as under:

Date of Meeting	Mr. Chandan S. Gupta[*]	Mr. Surendra Kumar Suri[#]	Mr. Pradip C. Shah[@]
27 th May, 2017	Present	Present	Present
05 th August, 2018	Present	Present	Present
Total (out of 2 meeting)	2	2	2

^{*}Chairman & Non Executive Independent Director

[#]Member & Non- Executive Independent Director

[@]Member & Non- Executive Independent Director

3.4 Corporate Social Responsibility (CSR) Committee

The criteria prescribed for the applicability of Corporate Social Responsibility under Section 135 of the Companies Act, 2013 is not applicable to the Company.

3.5 Risk Management Committee (Non-Mandatory)

In line with the regulatory requirements, the Company has framed a Risk Management Policy to identify and access the key business risk areas and a risk mitigation process. A detailed exercise is being carried out at regular intervals to identify, evaluate, manage and monitor all business risks. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

The inherent risks to the business of the Company are as follows:

- Foreign Exchange Risk
- Yarn Price Risk
- Stiff Global Competition
- Government Policy on incentives for exports
- Risk elements in business transactions
- Success of Cotton Crop

All the above risk has been discussed in the Management Discussion and Analysis Report. The Chairman and Managing Director, CEO & CFO mitigate the risk with the help of their depth of knowledge of market, assistance of senior management and forecast based on various data available with the Company. The Company has developed the analysis of market data which helps in decision making and to ensure the mitigation of the risk.

The Company has not formed Risk Management Committee as it is not applicable under regulation 21 of the SEBI (LODR) Regulations, 2015.

3.6 Independent Directors' Meeting

As per the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the Independent Directors are required to hold at least one meeting in a year to discuss the following:



Valson Yarns - Creation Never Ends Here

- Review the performance of non-independent directors and the Board as a whole.
- Review the performance of the Chairperson of the Company taking into account the views of executive directors and non-executive directors.
- Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Nomination and Remuneration Committee in its meeting held on 14th February, 2015 had adopted the performance evaluation criteria for the Independent Directors and the same had been applied by the Board in its meeting held on 13th February, 2018 for evaluating the performance of the Independent Directors. All the Independent Directors attended the meeting held on 13th February, 2018 and discussed the above points.

3.7 Policy for Selection and Appointment of Directors and their Remuneration

The Nomination and Remuneration Committee (NRC) has adopted a Policy which, inter alia, deals with the manner of selection of Board of Directors and CEO, CFO, Whole-Time Director & Managing Director and their remuneration. The said Policy has been outlined below:

3.7.1 Criteria of Selection of Non Executive Directors

- The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- In case of appointment of Independent Directors, the NRC shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- The NRC shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- The NRC shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
 - Qualification, expertise and experience of the Directors in their respective fields;
 - Personal, Professional or business standing;
 - Diversity of the Board.
- In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

3.7.2 Remuneration

The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings and commission as detailed hereunder:

- A Non Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

3.7.3 Whole-Time Director, Managing Director, Chief Executive Officer & Chief Financial Officer - Criteria for Selection / Appointment

For the purpose of selection of the WTD, MD, CEO & CFO, the NRC shall recommend the Promoter Directors as WTD, MD, CEO & CFO who are persons of integrity who possess relevant expertise, experience and leadership qualities required for the position.

Remuneration for the Whole-Time Director, Managing Director, Chief Executive Officer & Chief Financial Officer

- At the time of appointment or re-appointment, the WTD, MD, CEO & CFO shall be paid such remuneration as may be mutually agreed between the Company (which includes the NRC and the Board of Directors) and the WTD, MD, CEO & CFO within the overall limits prescribed under the Companies Act, 2013.
- The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- The remuneration of the WTD, MD, CEO & CFO is broadly divided into fixed components. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits.

3.7.4 Remuneration Policy for the Senior Management Employees

- In determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Committee Members) the NRC shall ensure / consider the following:
 - the relationship of remuneration and performance benchmark is clear;
 - the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
 - the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
 - the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance vis-à-vis KRAs / KPIs, industry benchmark and current compensation trends in the market.
- The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the NRC for its review and approval.

3.8 Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of the Board Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as Managing Relationships, Leadership, Strategy Formulation and execution, financial planning / performance, Relationships with the Board, External Relations, Human Resources Management / Relations, Succession, Product / Service Knowledge, and Personal Qualities, etc. The performance evaluation of the Independent Directors and Committees of the Board were carried out by the entire Board. The performance evaluation of the Board as a Whole, Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

3.9 Details of Remuneration paid to all Directors

The aggregate remuneration paid to the Directors for the year ended 31st March, 2018 is as under:

(Rs. In Lakhs)

Name of Director	Designation	Salary & Perquisites	Commission	Sitting Fees	Total
Mr. Suresh N. Mutreja	Managing Director	34.92	0.00	0.00	34.92
Mr. Varun S. Mutreja	Director – CFO	19.22	0.00	0.00	19.22
Mr. Chandan S. Gupta	Independent Director	0.00	0.00	0.90	0.90
Mr. Surendra Kumar Suri	Independent Director	0.00	0.00	0.90	0.90
Mrs. Asha S. Mutreja	Whole-Time Director	6.36	0.00	0.00	6.36
Mr. Pradip C. Shah	Independent Director	0.00	0.00	0.90	0.90
Mr. Kunal S. Mutreja*	Director – CEO	16.22	0.00	0.00	16.22
Mrs. Radhika V. Shah	Independent Director	0.00	0.00	0.40	0.40

*Appointed on 27th May, 2017

Note: The Company does not pay any allowances, perquisites, performance bonus, sign-on amount to Executive and Non-Executive Directors.

Details of Service Contracts

Name and Designation	Current Tenure	From	To
Mr. Suresh N. Mutreja Managing Director	3 Years	1 st July, 2016	27 th June, 2019
Mr. Varun S. Mutreja Director – CFO	5 Years	14 th November, 2014	13 th November, 2019



Name and Designation	Current Tenure	From	To
Mrs. Asha S. Mutreja Whole Time Director	5 years	1 st June, 2015	31 st May, 2020
Mr. Kunal S. Mutreja Director – CEO	5 Years	01 st June, 2017	31 st May, 2022

Equity Shares of Valson Industries Limited Held By The Non-Executive Directors Are As Follows:

Non Executive Directors	No. of shares held as on 31 st March, 2018	No. of shares held as on 31 st March, 2017
Mr. Chandan S. Gupta	Nil	Nil
Mr. Surendra Kumar Suri	400	400
Mr. Pradip C. Shah	Nil	Nil
Mrs. Radhika V. Shah [#]	Nil	Nil

[#]Appointed on 05th August, 2017

Details of Remuneration paid to the Directors are given in Form MGT-9

4. SUBSIDIARY COMPANIES

The Company does not have any Subsidiary Company.

5. DISCLOSURES

5.1 Related Party Transactions

Transactions with related parties, as per requirements of Indian Accounting Standard (Ind-AS 24), are disclosed in notes to accounts annexed to the financial statements.

There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, or their relatives or Subsidiaries that had potential conflict with the Company's interest. Suitable disclosure as required by the Indian Accounting Standard (Ind-AS 24) has been made in the Annual Report.

The Board has approved a policy for related party transactions.

5.2 Strictures and Penalties

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

5.3 Compliance with Indian Accounting Standards

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and the relevant provision of the Companies Act, 2013. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

5.4 Internal Financial Controls

The Company maintains an adequate and effective Internal Control System commensurate with its size and complexity. We believe that these internal control systems provide, among other things, a reasonable assurance that transactions are executed with Management authorization and that they are recorded in all material respects to permit preparation of financial statements in conformity with established accounting principles and that the assets of your Company are adequately safe-guarded against significant misuse or loss.

An independent Internal Audit function is an important element of the Company's internal control system. The internal control system is supplemented through an extensive internal audit programme and periodic review by Management and Audit Committee.

The Company has in place, adequate Internal Financial Controls with reference to Financial Statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

The Audit Committee reviewed the audit program and findings of the Internal Audit department and the Company when needed takes corrective actions.

5.5 CFO & CEO Certification

The CFO & CEO have issued certificate pursuant to the provisions of SEBI Regulations certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

5.6 Code of Conduct for the Board Members and Senior Management

The Company had formulated a Code of Business Conduct for the employees, including the Directors, for dealing with all the stakeholders of the Company and the same was first adopted by the Board in its meeting held on 27th May, 2014. The Code inter alia covers conduct of employees, environment, health & safety, anti-trust / competition laws, anti-bribery & anti-corruption, proper accounting and internal controls. The updated Code is also available on the Company's official website at the web link, <http://valsonindia.com/investor-relations/>

In terms of the resolution passed by the Board of Directors in their meeting held on 21st May, 2018, the Board has authorized Mr. Suresh N. Mutreja, Executive Chairman & Managing Director to sign all Certificates as may be required, to comply with the statutory requirements.

Accordingly, a declaration from the Executive Chairman & Managing Director that all Board Members and Senior Management personnel have duly complied with the Code of Conduct for the financial year ended 31st March, 2018 forms part of the Annual report.

5.7 Vigil Mechanism / Whistle Blower Policy

During the financial year 2017 – 18, in accordance with the Regulation 22 of the SEBI Regulations and pursuant to Section 177 (9) read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company has adopted a Whistle Blower Policy. The Company promotes ethical behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. As per the whistle blower policy, the employees are free to report violations of laws, rules, regulations or un-ethical conduct to their immediate superior. The confidentiality of those reporting / violations is maintained and they are not subjected to any discriminatory practice.

5.8 Prevention of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and Designated Employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the Designated Employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Compliance Officer is responsible for implementation of the Code.

All Board Directors and the Designated Employees have confirmed compliance with the Code.

5.9 Communication with the Members/ Shareholders

- The un-audited quarterly / half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the close of the financial year as per the requirements of the SEBI Regulations. The aforesaid financial results are sent to BSE Limited (BSE) where the Company's securities are listed, immediately after these are approved by the Board. The results are published within forty-eight hours in leading English and Marathi daily newspapers. The Audited Financial Statements form a part of the Annual Report which is sent to the Members well in advance of the Annual General Meeting.
- The Company also informs by way of intimation to BSE all price sensitive matters or such other matters, which in its opinion are material and of relevance to the members and subsequently issues a Press Release in regard to the same.
The Annual Report of the Company, the quarterly / half yearly and the Annual Financial Results and the press releases of the Company are also placed on the Company's website www.valsonindia.com and can be downloaded.
- In compliance with SEBI Regulations, the quarterly results, shareholding pattern, quarterly compliances and all other corporate communication is filed electronically on BSE's online Portal – BSE Listing Centre. The Company has complied with filing submissions through BSE's Online Portal.

6. GENERAL INFORMATION TO SHAREHOLDERS

Financial Year Ended: 31st March, 2018

6.1 Investor Services

Pursuant to the directive of SEBI, whereby all work related to share register in terms of both physical and electronic mode for maintenance had to be carried out at a single point, the Company has appointed M/s. Link Intime India Pvt. Ltd. as its Registrar & Share Transfer Agent, to handle its entire share related activities, both for physical shares and shares in demat form.

Link Intime India Pvt. Ltd.

C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083

Tel No: 022 4918 6000 Fax: 022 4918 6060

E mail: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in



6.2 Address for correspondence with Depositories

National Securities Depository Limited
Trade World, 4th & 5th Floor,
Kamala Mills Compound, Senapati Bapat Marg, Lower Parel,
Mumbai – 400 013
Telephone No : 022-2499 4200
Fax Nos : 022-2497 2993/6351
E-mail : info@nsdl.co.in
Website : www.nsdl.co.in

Central Depository Services (India) Limited
Phiroze Jeejeebhoy Towers, 17th Floor,
Dalal Street,
Mumbai – 400 001
Telephone No : 022-2272 3333
Fax Nos : 022-2272 3199/2072
E-mail : investors@cdslindia.com
Website : www.cdslindia.com

6.3 Registered Office & Correspondence Address

Valson Industries Limited

28, Bldg. No. 6, Mittal Industrial Estate, Sir M. V. Road, Andheri (East), Mumbai – 400 059

Tel No: 022 4066 1000 / Fax: 022 4066 1199

Website: www.valsonindia.com / **Email Address:** pritesh@valsonindia.com

Contact Person: Mr. Pritesh H. Shah, Compliance Officer

Members who hold shares in dematerialized form should correspond with the Depository Participant with whom they maintain Demat Account/s, for their queries relating to shareholding, change of address, credit of dividend through NECS. However, queries relating to non-receipt of dividend, non-receipt of annual reports, or on matters relating to the working of the Company should be sent to the Company.

Members who hold shares in physical form should address their queries to the Company.

Members are requested to ensure that correspondence for change of address, change in bank details, processing of unclaimed dividend, subdivision of shares, renewals / split / consolidation of share certificates, issue of duplicate share certificates should be signed by the first named Member as per the specimen signature registered with the Company. The Company may also, with a view to safeguard the interest of its Members and that of the Company, request for additional supporting documents such as certified copies of PAN Cards and other proof of identity and/or address.

Members are requested to indicate their DP ID & Client ID / Ledger Folio number in their correspondence with the Company and also to provide their Email addresses and telephone numbers / FAX numbers to facilitate prompt response from the Company.

6.4 Plant Location

6.4.1 Texturising and Twisting

Silli Unit:

Survey No. 122/1, Village Silli, U.T. – Dadra and Nagar Haveli 396 230.

6.4.2 Yarn Dyeing

Vapi Unit:

Plot No. 1204, GIDC, Phase III, Vapi, Gujarat 396 195.

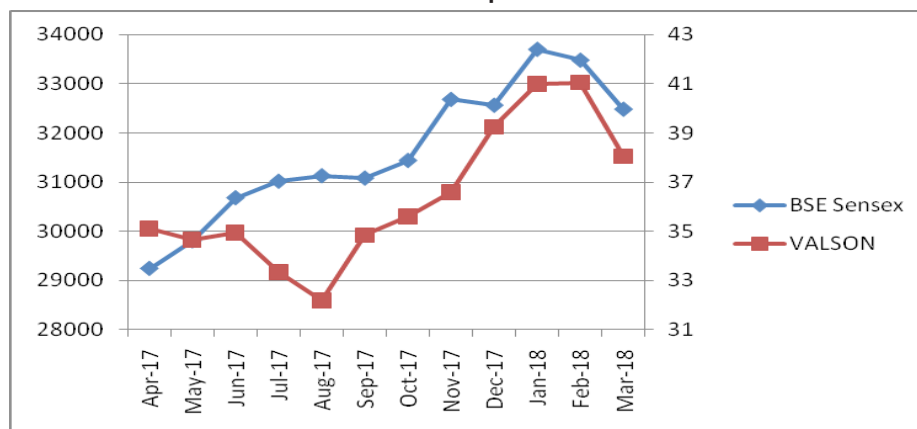
6.5 Market Information

Listing on Stock Exchanges

The Company's shares are listed on the following Stock Exchanges and the Listing Fees have been paid to the Exchanges:

Name & Address of the Stock Exchanges	Stock Code/ Scrip Code	ISIN Number for CDSL (Dematerialised shares)
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	530459	INE 808A01018

Performance of Equity Shares of the Company in comparison to BSE Sensex, (Chart as per the website of Bombay Stock Exchange Limited i.e. www.bseindia.com)

Index Comparison

Monthly High and Low Prices of the Equity Shares of the Company for the year ended 31st March, 2018:

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover (Rs.)	'Spread (Rs.)	
								H-L	C-O
Apr-17	32.1	36.7	31.25	34.45	100610	526	3436929	5.45	2.35
May-17	35.75	38.35	32.05	33.45	62404	428	2143007	6.3	-2.3
Jun-17	32.35	34.85	30.75	33	102002	455	3285598	4.1	0.65
Jul-17	33.6	37.7	32.5	35.1	147224	699	5234482	5.2	1.5
Aug-17	36.75	42.85	32.2	34.65	300470	1223	11658554	10.65	-2.1
Sep-17	32.65	35.75	31	34.95	106180	456	3477641	4.75	2.3
Oct-17	35.95	36	32	33.35	92458	512	3144033	4	-2.6
Nov-17	32.6	34.4	29.35	32.2	202496	433	6423704	5.05	-0.4
Dec-17	32.9	37.9	32.05	34.85	114435	548	3957293	5.85	1.95
Jan-18	34.9	38.8	33.2	35.6	133175	776	4850191	5.6	0.7
Feb-18	35	39.8	32.5	36.6	238897	968	8534731	7.3	1.6
Mar-18	39.5	41.8	34.6	39.25	139634	844	5314926	7.2	-0.25

*Spread H-L: High-Low: C-O: Close-Open

Annual Fees:

The Company has paid Annual Custody Fees for the year 2016 – 17 and 2017 – 18 to both the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within the stipulated time.

The Company has paid Annual Listing Fees for the year 2017 – 18 to the BSE Ltd. within the stipulated time.

6.6 Shareholders' rights

A shareholder in a Company enjoys certain rights, which are as follows:

- To receive share certificates, on allotment or transfer as the case may be, in due time.
- To receive copies of the Annual Report, Balance Sheet and Profit and Loss Account and the Auditor's Report.
- To participate and vote in General Meetings either personally or through proxies.
- To receive dividends in due time, once approved in General Meetings or Board Meetings.
- To receive corporate benefits like rights and bonus etc. once approved.
- To apply to the National Company Law Tribunal to call or direct the Annual General Meeting.
- To inspect the minute books of the General Meetings and to receive copies thereof.
- To proceed against the Company by way of civil or criminal proceedings.
- To apply for the winding-up of the Company.



- To receive the residual proceeds.

The above-mentioned rights may not necessarily be absolute.

7. SHARE TRANSFER SYSTEM / DIVIDEND AND OTHER RELATED MATTERS

7.1 Share transfers

Share transfers in physical form are processed and the share certificates are generally returned to the transferees within a period of fifteen days from the date of receipt of transfer provided the transfer documents lodged with the Company are complete in all respects.

7.2 Nomination facility for shareholding

As per the provisions of the Companies Act, 2013, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain nomination form, from the Share Department of the Company. Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard.

7.3 Permanent Account Number (PAN)

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferee/s, members, surviving joint holders / legal heirs be furnished to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

7.4 Dividend

- Payment of dividend through National Electronic Clearing Service (NECS):

The Company provides the facility for remittance of dividend to the Members through NECS. To facilitate dividend payment through NECS, Members who hold shares in demat mode should inform their Depository Participant and such of the Members holding shares in physical form should inform the Company of the core banking account number allotted to them by their bankers. In cases where the core banking account number is not intimated to the Company / Depository Participant, the Company will issue dividend warrants to the Members.

- Unclaimed Dividends:

The Company is required to transfer dividends which have remained unpaid / unclaimed for a period of seven years to the Investor Education & Protection Fund established by the Central Government. The Company has in December 2017 transferred to the said fund, the dividends for the years ended 31st March, 2010 which has remained unclaimed / unpaid.

For Equity Shareholders:

Financial Year	Date of Declaration of Dividend	Last Date of Claiming un-paid Dividend
Final Dividend 2010 – 2011	30.09.2011	04.11.2018
Final Dividend 2012 – 2013	13.08.2013	17.09.2020
Final Dividend 2013 – 2014	13.09.2014	18.10.2021
Final Dividend 2014 – 2015	14.08.2015	18.09.2022
Final Dividend 2015 – 2016	13.08.2016	17.09.2023
Final Dividend 2016 – 2017	05.08.2017	09.09.2024

Individual reminders are sent each year to those Members whose dividends have remained unclaimed for a period of seven years from the date they became due for payment, before transferring the monies to the Investor Education & Protection Fund (IEPF). The information on unclaimed dividend is also placed on the Company's website <http://valsonindia.com/investor-relations/>.

- Dividend History (last 5 Years)

Sr. No.	Financial Year	Final / Interim	Dividend %	Total Dividend (Rs. in Lakhs)
1.	2016 – 17	Final	10%	76.61
2.	2015 – 16	Final	10%	76.61
3.	2014 – 15	Final	10%	76.61
4.	2013 – 14	Final	8%	61.29
5.	2012 – 13	Final	5%	38.30

7.5 Transfer of ‘Underlying Shares’ into Investor Education and Protection Fund (IEPF) (in cases where unclaimed dividends have been transferred to IEPF for a consecutive period of seven years)

Members attention is invited to Regulation 39(4) and Schedule VI of the SEBI Regulations. As per the said Regulations, in cases where unclaimed dividends have been transferred to Investor Education and Protection Fund (IEPF) for a consecutive period of seven years, the underlying shares are also required to be transferred to IEPF. The said Regulation has come into effect from 1st December, 2015.

7.6 Dealing with securities which have remained unclaimed

Members are hereby informed that as per Regulation 39(4) read with Schedule VI of the SEBI Regulations, the Company is in the process of dematerializing unclaimed shares which are retained with the Company. These shares would be held by the Company on behalf of the holders of such shares in an “Unclaimed Suspense Account” to be opened with a depository. At the end of seven years, hereof, these shares shall be transferred by the Company to the IEPF. Dividends remaining unclaimed in respect of such shares shall also be held in a separate suspense account and would likewise be transferred to IEPF at the end of seven years.

The Company has sent out reminders to those Members whose share Certificate have remained unclaimed, to contact the Company immediately in the matter.

Members may note that the lawful claimant in respect of these shares / dividend will be able to claim such shares dividend from the Company till such time they remain in the Unclaimed Suspense Account as aforesaid.

7.7 Pending Investors’ Grievances

Any Member / Investor, whose grievance has not been resolved satisfactorily, may kindly write to the Compliance Officer at the Registered Office with a copy of the earlier correspondence.

7.8 Dematerialization of Shares and Liquidity

As per notification issued by SEBI, with effect from 26th June, 2000, it has become mandatory to trade in the Company’s shares in the electronic form. The Company’s shares are available for trading in the depository systems of both NSDL and CDSL.

As on 31st March, 2018, 98.19% of the Company’s total paid up capital representing 75,25,590 equity shares were held in dematerialised form and the balance 1.76% representing 1,35,210 equity shares were held in physical form.

7.9 Disclosure with respect to demat suspense account/unclaimed suspense account

As on 31st March, 2018, there are no outstanding shares lying in the demat suspense account / unclaimed suspense account.

7.10 Reconciliation of Share Capital Audit

As required by SEBI quarterly audit of the Company’s share capital is being carried out by an independent external auditor with a view to reconcile the total share capital admitted with Central Depository Services (India) Limited (CDSL), National Securities Depository Limited (NSDL) and held in physical form, with the issued and listed capital. The Auditors’ Certificate in regard to the same is submitted to BSE Limited and is also placed before Stakeholders’ Relationship Committee and the Board of Directors.

Distribution of Shareholding as on 31st March, 2018

Range	No. of Shareholders	% to Total Holders	Total Shareholding	% to Capital
1 – 500	1769	70.56	332721	4.34
501 – 1000	357	14.24	294441	3.84
1001 – 2000	174	6.94	266309	3.48
2001 – 3000	54	2.15	138992	1.81
3001 – 4000	33	1.32	115963	1.51
4001 – 5000	22	0.88	103042	1.35
5001 – 10000	59	2.35	428221	5.59
10001 & Above	39	1.56	598111	78.08
Total	2507	100.00	7660800	100.00

The Company has entered into agreements with Central Depository Services (India) Limited (CDSL), National Securities Depository Limited (NSDL) whereby Members have an option to dematerialize their shares with either of the depositories.



Shareholding Pattern as on 31st March, 2018 (Equity Shares)

	Category	No. of Shares Held	% of Share Holding
A.	Promoter(s) Holding		
	Promoter(s)		
	- Indian Promoters	4886209	63.78
	- Foreign Promoters	0	0.00
	Sub – Total (A)	4886209	63.78
B.	Non-Promoters Holding		
	Institutional Investors		
i.	Mutual Funds & UTI	0	0.00
ii.	Banks, Financial Inst, Insurance Company (Central/State Govt. Inst/Non-Govt. Inst)	0	0.00
iii.	FIs	0	0.00
	Others		
i.	Private Corporate Bodies	159244	2.08
ii.	Indian Public and Others	2235220	29.17
iii.	NRI/OCBS	137952	1.80
iv.	Directors / Relatives	0	0.00
v.	Clearing Members	13766	0.18
vi.	Hindu Undivided Family and Others	228409	2.98
	Sub-Total (B)	2774591	36.22
	GRAND TOTAL (A+B)	7660800	100.00

Statement showing Shareholding of more than 1% of the Capital as on 31st March, 2018

Sr. No.	Names of the shareholders	No. of Shares	% of Capital
1	Promoters:		
	Suresh N. Mutreja	1679500	4886209
	Kunal S. Mutreja	850682	
	Asha S. Mutreja	734050	
	Suresh N. Mutreja (HUF)	495200	
	Varun S. Mutreja	362200	
	Ankit S. Mutreja	289968	
	Tina K. Mutreja	157000	
	Kunal S. Mutreja (HUF)	134000	
	Shweta V. Mutreja	120609	
	Saachi A. Mutreja	63000	
	Others:		
2	Sunil N. Mutreja	164315	2.14
3	Premilaben Mahendra Kumar Dharu	105152	1.37
4	Madan Bhagchand Melwani	93943	1.23
5	Mahendra Chandulal Dharu	91891	1.20
	Total	5341510	69.73

Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity:

There are no outstanding GDRs/ ADRs/ Warrants or any Convertible instruments. Hence there will not be any impact on the equity of the Company.

Particulars of Past Three Annual General Meetings

- Date, time and venue for the Annual General Meetings and Extra Ordinary General Meeting held during the last 3 financial years and nature of special resolutions passed thereat are given below:

Financial Year Ending	Nature of Meeting	Nature of Special Resolution Passed	Date & Time	Location
31.03.2015	31 st AGM	Note 1	14.09.2015 10.45 A.M.	Registered Office
31.03.2016	32 nd AGM	Note 2	13.08.2016 10.30 A.M.	Registered Office
31.03.2017	33 rd AGM	Note 3	05.08.2017 01.00 P.M.	Registered Office

Note 1:

- Special Resolution for appointment of Mrs. Asha S. Mutreja as Woman Director.
- Special Resolution under Section 149, 152 of the Companies Act, 2013 in respect of appointment of Mr. Pradip C. Shah as Independent Director.
- Ordinary Resolution for appointment of Mr. Varun S. Mutreja as Director.
- Ordinary Resolution for appointment of Mr. Varun S. Mutreja as Chief Financial Officer for a period of five years w.e.f. 14th November, 2014.
- Ordinary Resolution for appointment of Mrs. Asha S. Mutreja as Whole-Time Director for a period of five years w.e.f. 01st June, 2015.
- Ordinary Resolution for Appointment of M/s. Kedia & Co., Cost Accountant as Cost Auditor for the financial year ended 31st March, 2016.
- Special Resolution for Related Party Transactions under section 188 of the Companies Act, 2013.

Note 2:

- Special Resolution for re-appointment of Mr. Suresh N. Mutreja as a Managing Director for a period of three years w.e.f. 1st July, 2016.

Note 3:

- Ordinary Resolution for Regularization of appointment of Mr. Kunal S. Mutreja as Director w.e.f. 27th May, 2017.
- Ordinary Resolution for Appointment of Mr. Kunal S. Mutreja as Director & CEO for a period of five years w.e.f. 1st June, 2017.

Note 4:

- There were no resolutions passed through postal ballot last year.
- No resolutions are proposed to be passed through postal ballot.



D E C L A R A T I O N S F I N A N C I A L C A L E N D A R 2 0 1 8 - 1 9

Board Meeting for consideration of Accounts for the financial year ended 31 st March, 2018 and recommendation of dividend	21 st May, 2018
Posting of Annual Reports	On or before Friday, 31 st August, 2018
Book Closure Dates	25 th September 2018 to 29 th September, 2018
Last date for receipt of Proxy Forms	27 th September, 2018 by 4.00 pm
Date, Time & Venue of the 34 th Annual General Meeting	29 th September, 2018 at 4.00 pm at Registered Office of the Company situated at 28, Bldg. No. 6, Mittal Industrial Estate, Sir M. V. Road, Andheri (East), Mumbai 400 059.
Dividend Payment Date	On or before 25 th October, 2018
Probable date of dispatch of warrants	On or before 29 th October, 2018
Board Meeting for consideration of unaudited quarterly results for the financial year ended 31 st March, 2019	Within Forty Five days from the end of the quarter, as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges
Audited results for the current financial year ending 31 st March, 2019	Within Sixty days from the end of the last quarter, as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges

For and on behalf of the Board of Directors

(Suresh N. Mutreja)
Chairman & Managing Director

Place: Mumbai
Date: 21st May, 2018



CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT OF THE COMPANY

This is to state that the Company had duly adopted a Code of Conduct in the meeting of the Board of Directors held on 30th May, 2014. After adoption of the Code of Conduct, the same was circulated to all the Board of Members and senior management personnel for compliance. The Code of Conduct has also been posted on the website of the Company. The Company has since received declaration from all the Board Members and senior management personnel affirming compliance of the Code of Conduct of the Company in respect of the financial year 31st March, 2018. The same has been duly noted by the Board in its meeting held on 21st May, 2018.

Suresh N. Mutreja
Chairman & Managing Director

Place: Mumbai
Date: 21st May, 2018

CHIEF FINANCIAL OFFICER & CHIEF EXECUTIVE OFFICER CERTIFICATION

Certificate under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We the undersigned, in our respective capacities as Chief Financial Officer and Chief Executive Officer of Valson Industries Limited ("the Company") to the best of our knowledge and belief certify that:

- A. We have reviewed financial statements and the cash flow statement for the financial year ended 31st March, 2018 and that to the best of our knowledge and belief, we state that:
1. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
 2. 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. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violate of the Company's Code of Conduct.
- C. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- D. We have indicated, based in our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:
1. significant changes, if any, in internal control over financial reporting during the year;
 2. significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over the financial reporting.

Yours Sincerely

Varun S. Mutreja
Chief Financial Officer

Kunal S. Mutreja
Chief Executive Officer

Place: Mumbai
Date: 21st May, 2018



**PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE
TO THE MEMBERS OF VALSON INDUSTRIES LIMITED**

1. I, Mr. Punit Shah, Practicing Company Secretary, the Secretarial Auditors of Valson Industries Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2018, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

3. My responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. I have examined the secretarial and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion

5. Based on my examination of the relevant records and according to the information and explanations provided to me and the representations provided by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the financial year ended 31st March, 2018.
6. I state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Mr. PUNIT P. SHAH
Practicing Company Secretary
Membership No. ACS 20536
Certificate of Practice No.: 7506

Place: Mumbai
Date: 21st May, 2018

INDEPENDENT AUDITORS' REPORT

To the Members of,
Valson Industries Limited

I. Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS Financial Statements of VALSON INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

II. 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 Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

III. Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS 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 thereunder.

We conducted our audit of the Ind AS financials 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 Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS Financial Statements.

IV. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under section 133 of the Act, of the state of affairs of the Company as at 31st March, 2018, its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

V. Other Matters

The audited Ind AS Financial Statements for the year ended 31st March, 2017, was carried out and reported by predecessor auditor, vide their unmodified audit report dated 27th May, 2017, whose report has been furnished to us by the management and which has been relied upon by us for the purpose of our audit of the Ind AS Financial Statements. Our audit report is not qualified in respect of this matter.



VI. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A' a statement on the matters specified in the paragraph 3 and 4 of the Order to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operative effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
 - g) With respect to the other matters to be included in the 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 No.27(II) to the Financial Statements.
 - ii. the Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March 2018.
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these Ind AS Financial Statements. Hence, reporting under this clause is not applicable.

**For Bastawala And Associates
Chartered Accountants
Firm Registration No: 121789W**

**Place: Mumbai
Date: 21st May, 2018**

**Pranav Bastawala
Partner
Membership No: 100468**

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1 of "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date on the accounts of **VALSON INDUSTRIES LIMITED** for the year ended 31st March, 2018)

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that: -

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) There is a regular programme of verification of fixed assets adopted by the Management whereby part of fixed assets were verified during the year. In our opinion the programme of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties including leasehold land, as disclosed in Note 3 on property, plant and equipment to the financial statements, are held in the name of the company.
- (ii) The inventory has been physically verified at reasonable intervals during the year by the Management. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- (iii) According to 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 Companies Act.

As 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 Companies Act. Accordingly paragraph 3(iii), sub-clauses (a), (b) and (c) of the Order is not applicable.

- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made and security provided by it.
- (v) In our opinion and according to the information and explanations given to us, the Company has accepted deposits and the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, where applicable, have been complied with.
- (vi) We have broadly reviewed the Cost records maintained by the company which have been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, in respect of the Company's products to which the said rules are made applicable, and are of the opinion that, prima-facie, the prescribed accounts and records, have been made and maintained. We have, however, not made a detailed examination of the records, with a view to determine whether they are accurate.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, customs duty, excise duty, value added tax, goods and services tax, cess and any other statutory dues with the appropriate authorities

According to the information and explanations given to us, no undisputed amounts payable in respect of any of the above statutory dues were in arrears, as at 31st March, 2018 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, service tax, customs duty, excise duty or value added tax, which have not been deposited on account of any dispute. The disputed statutory dues aggregating to Rs.2.39 lakhs of Textile Cess, that has not been deposited on account of matter pending before appropriate authority is as under:

Sr. No.	Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to which amount relates	Amount (Rs. Lakhs)
1.	Textiles Committee Act	Textiles Cess	Textiles Committee	2001 – 02 to 2005 – 06	2.39

- (viii) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to banks. The Company did not have any outstanding loans or borrowings from financial institutions or government and there are no dues to debenture holders during the year.



Valson Yarns - Creation Never Ends Here

- (ix) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) The company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) As the company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Companies Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind. AS) 24, Related Party Disclosures.
- (xiv) According to the information and explanations given to us the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us the company is not required to get registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For Bastawala And Associates
Chartered Accountants
Firm Registration No: 121789W

Place: Mumbai
Date: 21st May, 2018

Pranav Bastawala
Partner
Membership No: 100468

Annexure - B to the Independent Auditors' Report

[Referred to in paragraph 6 (II) (f) of our report of even date]

Report on the Internal Financial Controls Over Financials Reporting under Clause (I) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") of VALSON INDUSTRIES LIMITED

We have audited the internal financial controls over financial reporting of VALSON INDUSTRIES LIMITED ("the Company") as of 31st March, 2018 in conjunction with our audit of the in AS Financial Statements of the Company for the year ended and as at on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('the Guidance Note'). 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. The Guidance Note and those Standards 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 in AS 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 or 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 unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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



Opinion

In our opinion, 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 31st March 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 as issued by the ICAI.

**For Bastawala And Associates
Chartered Accountants
Firm Registration No: 121789W**

**Place: Mumbai
Date: 21st May, 2018**

**Pranav Bastawala
Partner
Membership No: 100468**



Balance Sheet as at March 31, 2018

(Rs. in Lakhs)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
1 Non Current Assets				
a Property ,Plant and Equipment	3	3,321.17	2,904.17	2,542.30
b Capital work-in-progress	3	25.39	18.67	4.82
c Other Intangible Assets	3	5.82	2.84	5.87
d Financial Assets				
(i) Loans	5(i)	-	-	175.00
(ii) Other Financial Assets	4(i)	42.41	58.73	58.73
e Other Non Current Assets	6(i)	16.22	36.07	107.44
Total Non Current Assets (A)		3,411.00	3,020.48	2,894.17
2 Current Assets				
a Inventories	7	469.13	439.08	463.49
b Financial Assets				
(i) Trade Receivable	8	805.61	718.78	634.86
(ii) Cash and cash equivalents	9	6.76	14.24	12.71
(iii) Bank balances other than (ii) above	10	57.46	72.37	69.36
(iv) Loans	5(ii)	22.70	23.21	30.59
(v) Other Financial Assets	4(ii)	3.40	11.82	12.20
c Other Current Assets	6(ii)	341.07	248.50	217.53
Total Current Assets (B)		1,706.14	1,528.01	1,440.74
Total Assets (A)+(B)		5,117.14	4,548.49	4,334.91
EQUITY AND LIABILITIES				
1 Equity				
a Equity Share Capital	11	766.08	766.08	766.08
b Other Equity	12	2,296.09	2,150.64	2,002.92
Total Equity (A)		3,062.17	2,916.72	2,769.00
Liabilities				
2 Non-Current Liabilities				
a Financial Liabilities				
(i) Borrowings	13 (i)	344.46	85.41	187.35
(ii) Other Long term Liabilities	17 (i)	18.78	-	-
b Provisions	14 (i)	76.02	69.41	61.08
c Deferred tax liabilities (net)	15	315.02	290.73	308.97
Total Non Current Liabilities (A)		754.28	445.55	557.39
2 Current Liabilities				
a Financial liabilities				
(i) Borrowings	13 (i)	435.82	444.33	140.73
(ii) Trade payables	16	590.43	532.66	461.83
(iii) Other Financial liabilities	17 (ii)	167.69	138.03	296.86
b Provisions	14 (ii)	1.69	1.72	1.34
c Current Tax Liabilities (Net)	18	-	9.66	22.10
d Other current liabilities	19	105.06	59.82	85.65
Total Current Liabilities (B)		1,300.69	1,186.22	1,008.51
Total Equity and Liabilities (A)+(B)		5,117.14	4,548.49	4,334.91
Significant accounting policies and notes on Financial statements 1 to 26				

As per our attached report of even date

For and on Behalf of the Board

For Bastawala And Associates
Chartered Accountants
Firm Registration No. 121789W

Valson Industries Limited
Suresh N. Mutreja
Chairman & MD

Name : Pranav Bastawala
Partner
Membership No. : 100468

Varun S Mutreja
Director & CFO

Place :Mumbai
Date : May 21, 2018

Kunal S. Mutreja
Chief Executive Officer



Statement of Profit and Loss for the year ended March 31, 2018

(Rs. in Lakhs)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I Revenue from operations	20	9,828.27	9,856.09
II Other income	21	64.19	60.59
III Total Income		9,892.46	9,916.68
IV Expenses			
Cost of materials consumed	22	5,645.85	5,754.15
Changes in inventories of finished goods	23	(11.04)	62.69
Employee benefits expense	24	1,365.96	1,147.54
Finance costs	25	54.73	43.37
Depreciation and Amortisation expense	3	287.88	262.63
Other expenses	26	2,191.51	2,294.86
Total expenses		9,534.89	9,565.25
V Profit before tax		357.57	351.42
VI Tax expense			
Current tax		(105.00)	(124.00)
Current tax (expense)/reversal of prior years		8.56	0.09
Net current tax		(96.44)	(123.91)
Deferred tax		(24.02)	16.34
		(120.46)	(107.57)
VII Profit for the year		237.11	243.86
VIII Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit or Loss			
Remeasurement of the defined benefit plans		0.81	(5.75)
(ii) Income tax relating to items that will not be reclassified to Profit or Loss			
Income Tax on Remeasurement of defined benefit Liability		(0.27)	1.90
B (i) Items that will be reclassified to profit or Loss		-	-
(ii) Income tax relating to items that will be reclassified to Profit or Loss		-	-
Total Other Comprehensive Income		0.54	(3.85)
IX Total Comprehensive Income for the year		237.65	240.01
X Earnings per equity share (of Rs. 10/- each)			
Basic and Diluted		3.10	3.13
Significant accounting policies and notes on Financial statements	1 to 26		-

As per our attached report of even date

For and on Behalf of the Board

For Bastawala And Associates

Valson Industries Limited

Chartered Accountants

Firm Registration No. 121789W

Suresh N. Mutreja

Chairman & MD

Name : Pranav Bastawala

Varun S Mutreja

Partner

Director & CFO

Membership No. : 100468

Place : Mumbai

Kunal S. Mutreja

Date : May 21, 2018

Chief Executive Officer



Cash Flow Statement for the year ended March 31, 2018

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash Flow From Operating Activities:		
Profit / (Loss) Before Tax	357.57	351.42
Adjustment		
Interest received	(22.42)	(43.00)
Depreciation	287.88	262.63
Loss/(Profit) on sale of Fixed Assets	2.01	1.22
Interest Paid	54.73	43.37
Working Capital Adjustments		
Increase/(Decrease) in current Assets	(170.97)	(114.52)
Increase/(Decrease) in current liabilities	133.45	(119.20)
Increase/(Decrease) in Non current liabilities	25.39	8.33
Increase/(Decrease) in Inventories	(30.05)	24.41
Cash from Operating Activities	637.59	414.66
Less: Taxes paid	(106.10)	(136.34)
Net Cash generated/(used) from Operating Activities	A 531.49	278.32
Cash Flow From Investing Activities:		
Capital Expenditure on Fixed Assets	(717.92)	(639.10)
Sales Proceeds of Fixed Assets	1.33	2.57
Non Current Loan And Advances	36.17	246.37
Current Loan And Advances	0.51	7.38
Fixed Deposits with Banks	14.90	(3.00)
Interest Income	22.42	43.00
Net Cash generated/(used) from Investing Activities	B (642.58)	(342.79)
Cash Flow From Financing Activities:		
Loan Accepted /Repaid	68.00	-
Net Increase/ (decrease) of long term borrowing	191.05	(101.94)
Net Increase/ (decrease) of short term borrowing	(8.51)	303.60
Finance Cost	(54.73)	(43.37)
Dividend Paid	(76.61)	(76.61)
Tax on dividend	(15.60)	(15.68)
Net Cash generated/(used) from Financing Activities	C 103.60	66.00
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	(7.48)	1.53
Add: Cash & Cash Equivalents (Opening)	14.24	12.71
Cash and Cash Equivalents (Closing)	6.76	14.24
Cash and cash Equivalents includes:		
Cash on hand	3.07	2.04
Bank Balances	3.70	12.20
	6.76	14.24

As per our attached report of even date

For Bastawala And Associates
Chartered Accountants
Firm Registration No. 121789W

Name : Pranav Bastawala
Partner
Membership No. : 100468

Place : Mumbai
Date : May 21, 2018

For and on Behalf of the Board

Valson Industries Limited

Suresh N. Mutreja
Chairman & MD

Varun S Mutreja
Director & CFO

Kunal S. Mutreja
Chief Executive Officer



Notes Forming Part of Ind - AS Financial Statements

A. Equity Share Capital

Rs. in Lakhs

Particulars	Amount
Balance as at April 1, 2016	766.08
Changes in equity share capital during FY 2016-17	-
Balance as at March 31, 2017	766.08
Changes in equity share capital during FY 2017-18	-
Balance as at March 31, 2018	766.08

B. Other Equity

(Rs. in Lakhs)

Particulars	Reserves and surplus			Other Comprehensive Income	Total
	Securities Premium Reserve	General Reserve	Retained Earnings	Remeasurement of defined benefit obligation	
Balance as at April 1, 2016	160.54	324.75	1,517.63	-	2,002.92
Transferred to General reserve	-	15.00	(15.00)	-	-
Profit for the year 2016-17	-	-	243.86	-	243.86
Other Comprehensive Income for the year, net of income tax	-	-	-	(3.85)	(3.85)
Less: Dividend paid (including tax thereon)	-	-	(92.29)	-	(92.29)
Balance as at March 31, 2017	160.54	339.75	1,654.20	(3.85)	2,150.64
Transferred to reserve	-	15.00	(15.00)	-	-
Profit for the year 2017-18	-	-	237.11	-	237.11
Other Comprehensive Income for the year, net of income tax	-	-	-	0.54	0.54
Less: Dividend paid (including tax thereon)	-	-	(92.20)	-	(92.20)
Balance as at March 31, 2018	160.54	354.75	1,784.11	(3.30)	2,296.09

As per our attached report of even date

For Bastawala And Associates
Chartered Accountants
Firm Registration No. 121789W

Name : Pranav Bastawala
Partner
Membership No. : 100468

Place : Mumbai
Date : May 21, 2018

For and on Behalf of the Board

Valson Industries Limited

Suresh N. Mutreja
Chairman & MD

Varun S Mutreja
Director & CFO

Kunal S. Mutreja
Chief Executive Officer

Notes to Financial Statements for the Year ended 31st March, 2018

Note 1: Corporate information:

Valson Industries Limited was incorporated on 2nd June, 1983 with Registrar of Companies, Maharashtra State. Its processing manufacturing Units are located at Vapi in Gujarat and Silvassa in UT. Dadra Nagar & Haveli. Its shares are listed on Bombay Stock Exchange. The Company is engaged in Texturising, Twisting of Polyester yarns and Dyeing of Polyester, Cotton and other fancy Yarns. The company has its registered office and principal place of business at 28, Building no. 6, Mittal Industrial Estate, Sir M. V. Road, Andheri-(East), Mumbai 400 059.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency.

Note 2: Significant Accounting Policies Accounting Judgements, Estimates and Assumptions:

(A) Significant accounting policies:

2.1 STATEMENT OF COMPLIANCE

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017.

For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). These financial statements for the year ended 31 March 2018 are the first the Company has prepared in accordance with Ind-AS. Refer to Note No. 27 (X) for information on how the Company adopted Ind AS, including the details of the first time adoption exemptions availed by the company.

These financials statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 read with the Companies (Indian Accounting Standards) Amendment Rules, 2017 and the Guidance Notes and other authoritative pronouncements issued by the Institute of Chartered Accountants of India (ICAI).

2.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.3 CURRENT/ NON-CURRENT CLASSIFICATION OF ASSETS AND LIABILITIES:

An asset is considered as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
 - Held primarily for the purpose of trading,
 - Expected to be realised within twelve months after the reporting period, or
 - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.
- A liability is considered as current when:
- It is expected to be settled in normal operating cycle,
 - It is held primarily for the purpose of trading,
 - It is due to be settled within twelve months after the reporting period, or
 - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- All other liabilities are classified as non-current.
- Deferred tax assets and liabilities are classified as non-current assets and liabilities.



Notes to Financial Statements for the Year ended 31st March, 2018

2.4 USE OF ESTIMATES:

The presentation of financial statements is in conformity with the recognition and measurement principles of IndAS which requires the management of the company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

2.5 REVENUE RECOGNITION:

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, regardless of when the amount is received. 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, discounts, commission and rebates.

i. Sale of Goods:

- Sales includes sale of Texturised, Twisted, Dyed & Fancy Yarns, Sale of waste yarn and Processing Charges.
- Revenue from Domestic sale is recognised on transfer of significant risks and rewards of ownership which is based on the dispatch of goods.
- Revenue from Export sale is recognised on transfer of significant risks and rewards of ownership based on terms of the contracts.

ii. Other Operating Revenue:

- Export Incentive under various schemes are accounted in the year of receipt of Export incentive.
- Revenue in respect of other income/claims, etc. is recognised only when it is reasonably certain that ultimate collection will be made.

iii. Interest Income:

- a) Interest on delayed payment received is accounted for when the collection of the same is reasonably certain.
- b) Interest on FDR is measured using the contracted rate.

2.6 PROPERTY, PLANT AND EQUIPMENT:

Property, Plant and Equipment are recorded at their cost of acquisition, net of indirect taxes, less accumulated depreciation and impairment losses, if any. The cost thereof comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost for bringing the asset to its working condition for its intended use.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss when the asset is derecognised.

For transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as on 1st April, 2016 measured as per previous GAAP as its deemed cost on the date of transition.

2.7 CAPITAL WORK IN PROGRESS AND CAPITAL ADVANCES:

Expenses incurred for acquisition of capital assets outstanding at each balance sheet date are disclosed under capital work-in-progress. Advances given towards the acquisition of fixed assets are shown separately as capital advances under the head Other Non-Current Assets.

2.8 DEPRECIATION:

Depreciation on Property, Plant and Equipment is provided on Straight Line Method basis in accordance with the provisions of Schedule II to the Companies Act, 2013. The Management believes that the estimated useful lives as per the provisions of Schedule II to the Companies Act, 2013, are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Notes to Financial Statements for the Year ended 31st March, 2018

2.9 Intangible Assets and amortisation thereof:

The cost relating to Intangible assets, with finite useful lives, which are capitalised and amortised on a straight line basis over a period of five years, are based on their estimated useful lives.

An item of Intangible Asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

The residual values, useful lives and methods of amortisation of Intangible Assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

For transition to Ind AS, the Company has elected to continue with the carrying value of all its Intangible Assets recognised as on 1st April, 2016 (date of transition) measured as per previous GAAP as its deemed cost on the date of transition.

2.10 Impairment of Property Plant & Equipment and Intangible Assets:

The carrying amount of assets are reviewed at each balance sheet date to assess, whether there is any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater than the assets net selling price and value in use.

During the year there is no impairment of the assets.

2.11 INVENTORIES:

- i) Raw Materials are valued at cost determined on First in First out (FIFO) Method.
- ii) Finished Goods are valued at cost or net realisable value whichever is lower.
- iii) Stores and Spares, Fuel & Packing Materials are valued at cost.

Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

2.12 Financial Instruments:

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

(i) Financial Assets:

Initial Recognition and Measurement:

All financial assets are recognised initially at fair value. In the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are included therein.

Subsequent Measurement:

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortised cost
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- Investments measured at fair value through Profit & Loss (FVTPL)

Financial Assets at Amortised Cost:

A financial asset is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.



Notes to Financial Statements for the Year ended 31st March, 2018

Equity Instruments at FVTOCI:

For equity instruments not held for trading, an irrevocable choice is made on initial recognition to measure it at FVTOCI. All fair value changes on such investments, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale or disposal of the investment. However, on sale or disposal the company may transfer the cumulative gain or loss within equity.

Financial Assets at FVTPL

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. All other financial assets are measured at fair value through profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company’s statement of financial position) when:

- i) The rights to receive cash flows from the asset have expired, or
- ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement and either;
 - a. the Company has transferred substantially all the risks and rewards of the asset, or
 - b. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk

ii) Financial Liabilities:

Initial Recognition and Measurement:

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 include loans and borrowings.

Subsequent Measurement:

This is dependent upon the classification thereof as under:

Loans and Borrowings:

After initial recognition, interest - bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Notes to Financial Statements for the Year ended 31st March, 2018

Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(iii) Equity Instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity in accordance with the substance of the contractual arrangements. These are recognised at the amount of the proceeds received, net of direct issue costs.

2.13 BORROWING COST:

Borrowing costs comprising of interest and other costs that are incurred in connection with the borrowing of funds that are attributable to the acquisition or construction of qualifying assets are considered as a part of cost of such assets less interest earned on the temporary investment. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Statement of profit and loss in the year in which they are incurred.

2.14 EMPLOYEE BENEFITS:

Short term employee benefits:

All employee benefits falling due wholly within 12 months of rendering the services are classified as short term employee benefits and are recognised as an expense in the period in which the employee renders the related services.

Post - Employment benefits:

Defined Contribution Plan

The company's contribution towards the provident fund and the social securities for certain eligible employees are considered to be defined contribution plans as the company does not carry any further obligations apart from the contributions made on a monthly basis.

Defined Benefit Plan

Liabilities towards Defined Benefit Schemes viz. Gratuity benefits are determined using the Projected Unit Credit Method. Actuarial valuations under the Projected Unit Credit Method are carried out at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the Balance Sheet with a corresponding effect in the Statement of Other Comprehensive Income. Past service cost is recognised immediately in the Statement of Profit and Loss.

2.14 LEASES:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a Lessee:

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership is classified as a finance lease.

Finance lease is capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will



Notes to Financial Statements for the Year ended 31st March, 2018

obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the payments are structured to increase in line with the expected general inflation to compensate the lessor.

2.15 TAXES ON INCOME:

Current Income Taxes:

Current income tax liabilities are measured at the amount expected to be paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in other comprehensive income / equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Taxes:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, when the deferred tax liability arises from an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except, when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

2.16 TRANSACTIONS IN FOREIGN CURRENCY:

Transactions in foreign currencies are initially recorded at their respective custom announced rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the custom announced rates of exchange at the reporting date.

Notes to Financial Statements for the Year ended 31st March, 2018

Differences arising on settlement or translation of monetary items are recognised as income or expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit and loss are also recognised in OCI or statement of profit and loss, respectively).

2.17 PROVISIONS, CONTINGENT LIABILITY AND CONTINGENT ASSET:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

When the Company expects part or entire provision to be reimbursed, the same is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A Contingent Liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of enterprise or a present obligation that arises from past events that may, but probably will not, require an outflow of resources.

Both provisions and contingent liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the Financial Statements.

2.18 GOVERNMENT GRANTS, SUBSIDIES:

Grant from Government under Technology Up-gradation Fund Scheme (TUFS) is recognised at fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached condition.

2.19 SEGMENT REPORTING:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of Director of the Company has been identified as being the Chief Operating Decision Maker (CODM) by the management of the Company.

As the Company's business activity falls within a single business segment viz. 'Yarns' and the sales substantially being in the domestic market, the financial statements are reflective of the information required by Accounting Standard 108 "Segment Reporting", notified under the Companies (Indian Accounting Standards) Rules, 2015.

2.20 EARNINGS PER SHARE:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events including a bonus issue, bonus element in right issue to existing shareholders, share split, and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.21 Cash and Cash Equivalent:

Cash and cash equivalent for the purpose of Cash Flow Statement comprise cash at bank and in hand and short term highly liquid investments which are subject to insignificant risk of changes in value.



Notes to Financial Statements for the Year ended 31st March, 2018

2.22 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.23 Commitments

Commitments are future liabilities for contractual expenditure. The commitments are classified and disclosed as follows:

- (a) The estimated amount of contracts remaining to be executed on capital account and not provided for; and
- (b) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the Management.

2.24 Significant Accounting Judgements, Estimates and Assumptions:

The preparation of Financial Statements is in conformity with the recognition and measurement principles of Ind AS which requires the management to make judgements for estimates and assumptions that affect the amounts of assets, liabilities and the disclosure of contingent liabilities on the reporting date and the amounts of revenues and expenses during the reporting period and the disclosure of contingent liabilities. Differences between actual results and estimates are recognized in the period in which the results are known/ materialize.

Estimates, Assumptions and Judgements:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

a) Estimation of current tax expense and deferred tax:

The calculation of the Company's tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/ losses and/or cash flows. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

b) Recognition of deferred tax assets/ liabilities:

The recognition of deferred tax assets/ liabilities is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts.

c) Estimation of Provisions & Contingent Liabilities:

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision

d) Estimated useful life of Property, Plant and Equipment:

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life, its expected usage pattern and the expected residual value at the end of its life. The useful lives, usage pattern and residual values of Company's

Notes to Financial Statements for the Year ended 31st March, 2018

assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology etc.

e) **Estimation of Provision for Inventory:**

The Company writes down inventories to net realisable value based on an estimate of the realisability of inventories. Write downs on inventories are recorded where events or changes in circumstances indicate that the carrying value may not be realised. The identification of write-downs requires the use of estimates of net selling prices of the down-graded inventories. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate has been changed.

f) **Estimation of Defined Benefit Obligation:**

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post-employment plans include the discount rate. Any changes in these assumptions will impact the carrying amount of such obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds of maturity approximating the terms of the related plan liability.

g) **Estimated fair value of Financial Instruments.**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Management uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

2.25 Standards issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration 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 amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and there is no impact on the company's financial statements due to the said changes.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize 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. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch -up approach)



Notes Forming Part of Ind - AS Financial Statements

3 Property Plant and Equipment

Carrying amounts of :

Particulatrs	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Tengible Assets			
Freehold Land	25.12	25.12	25.12
Leasehold Land	190.11	192.08	4.11
Factory Building	1,031.87	1,064.73	856.79
Staff Quarters	207.53	5.50	5.62
Office Premises *	33.22	33.91	34.60
Basic Machineries	1,405.96	1,210.43	1,288.89
Utility Ancillary Equipments	151.22	66.59	67.31
Electrical Installation	149.32	174.51	166.16
Office Equipments	13.21	10.57	11.62
Computer	5.35	5.40	4.03
Vehicles - Car	87.03	103.97	65.12
Vehicles - Scooter	1.68	1.68	1.21
Furniture & Fixtures	19.55	9.68	11.73
	3,321.17	2,904.17	2,542.30
Intengible Assets			
Software	5.82	2.84	5.87
	3,326.99	2,907.01	2,548.17

Notes Forming Part of Ind - AS Financial Statements

Particulars	Land		Buildings/Premises				Plant & Machineries					others				Total	Capital WIP		Total
	Freehold Land	Leasehold Land	Factory Building	Staff Quarters	Office Premises *	Basic Machineries	Utility Ancillary Equipments	Electrical Installation	Office Equipments	Computer	Vehicles - Car	Vehicles - Scooter	Furniture & Fixtures	Tangible Asset	Intangible Assets		Software		
Cost or deemed cost																			
Balance at April 1, 2016	25.12	4.11	856.79	5.62	34.60	1,288.89	67.31	166.16	11.62	4.03	65.12	1.21	11.73	2,542.30	4.82	5.87	2,552.99		
Additions	-	188.30	243.53	-	-	86.94	13.60	33.74	3.59	2.55	52.53	0.47	-	625.25	13.85	-	639.10		
Disposals	-	-	-	-	-	(1.29)	-	-	-	-	(2.50)	-	-	(3.79)	-	-	(3.79)		
Balance at March 31, 2017	25.12	192.41	1,100.32	5.62	34.60	1,374.54	80.91	199.89	15.22	6.58	115.16	1.68	11.73	3,163.76	18.67	5.87	3,188.31		
Additions	-	-	7.04	202.41	-	375.78	97.96	2.15	7.84	1.34	-	-	12.87	707.39	6.72	4.33	718.44		
Disposals	-	-	-	-	-	-	-	-	-	-	(3.86)	-	-	(3.86)	-	-	(3.86)		
Balance at March 31, 2018	25.12	192.41	1,107.36	208.03	34.60	1,750.32	178.87	202.05	23.06	7.92	111.30	1.68	24.60	3,867.30	25.39	10.20	3,902.89		
Accumulated Depreciation/ Amortisation and Impairment																			
Balance at April 1, 2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Depreciation / Amortisation Expense	-	0.33	35.59	0.11	0.69	164.11	14.32	25.38	4.64	1.17	11.19	-	2.05	259.59	-	3.04	262.62		
Balance at March, 2017	-	0.33	35.59	0.11	0.69	164.11	14.32	25.38	4.64	1.17	11.19	-	2.05	259.59	-	3.04	262.62		
Depreciation/ Amortisation Expense	-	1.97	39.90	0.38	0.69	180.25	13.32	27.35	5.21	1.40	13.08	-	3.00	286.54	-	1.35	287.89		
Balance at March, 2018	-	2.30	75.49	0.50	1.38	344.36	27.65	52.73	9.85	2.57	24.27	-	5.05	546.13	-	4.39	550.52		
Carrying amounts of :																			
Balance at April 1, 2016	25.12	4.11	856.79	5.62	34.60	1,288.89	67.31	166.16	11.62	4.03	65.12	1.21	11.73	2,542.30	4.82	5.87	2,552.99		
Balance at March, 2017	25.12	192.08	1,064.73	5.50	33.91	1,210.43	66.59	174.51	10.57	5.40	103.97	1.68	9.68	2,904.17	18.67	2.84	2,925.68		
Balance at March, 2018	25.12	190.11	1,031.87	207.53	33.22	1,405.96	151.22	149.32	13.21	5.35	87.03	1.68	19.55	3,321.17	25.39	5.82	3,352.38		

Notes to Financial Statements for the Year ended 31st March, 2018

4 Other Financial Assets

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Non-Current			
Deposits with Government Authorities	42.41	58.73	58.73
Sub Total (a)	42.41	58.73	58.73
(ii) Current			
Interest Receivable	3.40	11.82	12.20
Sub Total (b)	3.40	11.82	12.20
Total (a) + (b)	45.81	70.55	70.93

5 Loans

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Non-Current			
Inter Corporate Deposits	-	-	175.00
Sub Total (a)	-	-	175.00
(ii) Current			
Loans and advances to employees	22.70	23.21	30.59
Sub Total (b)	22.70	23.21	30.59
Total (a) + (b)	22.70	23.21	205.59

6 Other Assets

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Non-Current			
Advances against Capital Goods	9.20	29.06	100.72
Deposits for Raw-materials, Utility and Service providers	7.02	7.01	6.72
Total	16.22	36.07	107.44
(ii) Current			
Advances to Other Suppliers	16.13	5.22	2.38
Export Incentives Receivable	2.19	-	-
Interest Subsidy Receivable	82.34	-	-
Prepaid expenses	14.07	15.96	10.42
Advance Tax & TDS net of Provisions	0.87	-	-
Balances with government authorities	225.48	227.33	204.72
Total	341.07	248.50	217.53

7 Inventories

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw materials incl. in transit (At Cost)	164.74	147.44	152.53
Finished goods (Lower of Cost or Market Value)	246.30	235.26	297.95
Packing Materials incl. in transit (At cost)	28.90	23.23	6.23
Stores and Spares incl. in transit (At cost)	28.58	28.95	3.92
Coal and Diesel incl. in transit (At cost)	0.61	4.20	2.86
Total	469.13	439.08	463.49

Notes to Financial Statements for the Year ended 31st March, 2018
8 Trade Receivables (₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Unsecured, Considered good	815.08	731.73	645.46
Less: Expected Credit Loss allowance	(9.47)	(12.95)	(10.60)
Total	805.61	718.78	634.86

9 Cash and cash equivalents (₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Cash on hand	3.06	2.04	2.51
Balances with banks - Current Account	3.70	12.20	10.20
Total	6.76	14.24	12.71

10 Other Balances with Banks (₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
For Unpaid dividend accounts	3.29	4.16	3.96
In deposit accounts	27.46	-	-
In earmarked deposit accounts (Balances held as margin money against guarantees and other commitments. All the deposits are for period exceeding 12 months.)	26.71	68.21	65.39
Total	57.46	72.37	69.36

11 Share Capital
(i) Equity Share Capital

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Number	₹ . In Lakhs	Number	₹ . In Lakhs	Number	₹ . In Lakhs
Authorized Equity Share						
Equity Shares of ₹.10/- each with voting rights	1,20,00,000	1,200.00	1,20,00,000	1,200.00	1,20,00,000	1,200.00
	1,20,00,000	1,200.00	1,20,00,000	1,200.00	1,20,00,000	1,200.00
Issued Equity Share						
Equity Shares of ₹.10/- each with voting rights	76,60,800	766.08	76,60,800	766.08	76,60,800	766.08
	76,60,800	766.08	76,60,800	766.08	76,60,800	766.08
Subscribed and Paid up Equity Share						
Equity Shares of ₹.10/- each with voting rights	76,60,800	766.08	76,60,800	766.08	76,60,800	766.08
	76,60,800	766.08	76,60,800	766.08	76,60,800	766.08

All of the above shares carry equal voting rights and there are no restrictions / preferences attached to any of the above share.

Notes to Financial Statements for the Year ended 31st March, 2018

(ii) Reconciliation of the outstanding number of shares

Particulars	Equity Shares		Equity Shares		Equity Shares	
	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Number	₹. In Lakhs	Number	₹. In Lakhs	Number	₹. In Lakhs
Shares outstanding at the beginning of the year	76,60,800	766.08	76,60,800	766.08	76,60,800	766.08
Add: Shares Issued during the year	-	-	-	-	-	-
Less: Shares bought back during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	76,60,800	766.08	76,60,800	766.08	76,60,800	766.08

(iii) The details of shareholders holding more than 5% shares

Name of Shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Share with voting rights						
Suresh N. Mutreja	16,79,500	21.92%	15,87,000	20.72%	15,87,000	20.72%
Kunal S. Mutreja	8,50,682	11.10%	8,00,682	10.45%	7,57,000.00	9.88%
Asha S. Mutreja	7,34,050	9.58%	6,79,000	8.86%	6,79,000	8.86%
Suresh N. Mutreja HUF	4,95,200	6.46%	4,95,200	6.46%	4,95,200	6.46%
Total	37,59,432	49.07%	35,61,882	46.49%	35,18,200	45.92%

12 Other Equity

(₹ in lakhs)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1, 31,2016
Securities Premium Reserve			
Opening balance	160.54	160.54	160.54
Add: Premium on shares issued during the year	-	-	-
Less: Utilised during the year	-	-	-
Closing Balance	160.54	160.54	160.54
General Reserve			
Opening balance	339.75	324.75	324.75
Add: Transferred from Statement of Profit and Loss	15.00	15.00	-
Closing Balance	354.75	339.75	324.75
Surplus / (Deficit) in the Statement of Profit and Loss			
Opening balance	1,654.20	1,517.63	1,517.63
Add: Profit for the year	237.11	243.86	-
Less: Transferred to General Reserve	(15.00)	(15.00)	-
Less: Dividend Paid	(76.61)	(76.61)	-
Less: Tax on Dividend	(15.60)	(15.68)	-
Closing Balance	1,784.11	1,654.20	1,517.63
Other Comprehensive Income			
Opening balance	(3.85)	-	-
Add: Remeasurement of Defined Benefit Obligation	0.54	(3.85)	-
Closing Balance	(3.30)	(3.85)	-
Total	2,296.09	2,150.64	2,002.92

Notes to Financial Statements for the Year ended 31st March, 2018

13 Borrowings

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Non-Current			
Secured :			
Term Loans from Banks	195.43	(2.01)	127.35
Vehicles Loans	21.03	27.42	-
Total Secured Loans (A)	216.46	25.41	127.35
Unsecured :			
Deposits from Director & Related Parties	53.00	30.00	30.00
Deposits from Others	75.00	30.00	30.00
Total Unsecured Loans (B)	128.00	60.00	60.00
Total (A)+(B)	344.46	85.41	187.35
(ii) Current			
Secured :			
Facilities from Bank of India:			
Cash Credit	-	151.47	85.59
Packing Credit (EPC & PCFC)	23.94	-	55.14
Facilities from Kotak Mahindra Bank:			
Cash Credit	411.88	292.86	-
Total	435.82	444.33	140.73

Nature of Security for all financial facilities

Nature of Security

- Primary Security:** First and exclusive charge on all existing and future Current Assets including Stocks and movable fixed assets of Borrower
- Collateral Security :** Equitable Mortgage on Movable and Immovable assets of Vapi Unit and Head Office and Personal Guarantee of Directors

Terms of repayment of Long term Borrowings:

(₹ in lakhs)

Term loans from banks	Repayment in One year	Repayment in Two to three year	Repayment in more than three year
Term loans from Kotak Mahindra bank Repayable in 12 months installment starting from October 2017 and last instalment due on November 2022. Rate of Interest 9.25% pa at the year end. (March 2017 : 9.30% p.a.)	46.96	119.60	80.65
Car loans from Daimler Financial Services I Pvt. Ltd. Repayable in 12 months installment starting from February 2017 and last instalment due on December 2021. Rate of Interest 9.1021% pa at the year end. (March 2017 : 9.1021% p.a.)	6.44	14.77	6.27

14 Provisions

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Non-Current			
Provision for Gratuity	76.02	69.41	61.08
Total	76.02	69.41	61.08
(ii) Current			
Provision for Gratuity	1.69	1.72	1.34
Total	1.69	1.72	1.34



Notes to Financial Statements for the Year ended 31st March, 2018

15 Deferred tax liabilities (net)

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred Tax Liabilities	365.20	336.78	352.01
Less: Deferred Tax Assets	(50.18)	(46.04)	(43.04)
Total	315.02	290.73	308.97

(₹ in lakhs)

Deferred Tax Assets/(Liabilities) in relation to:	FY 2017-18			FY 2016-17		
	Opening Balance	Recognised in Profit & Loss / OCI	Closing Balance	Opening Balance	Recognised in Profit & Loss / OCI	Closing Balance
Fair Value adjustments	0.16	0.76	0.93	0.50	(0.34)	0.16
ECL Provisions	(0.78)	1.93	1.15	(3.50)	2.73	(0.78)
Property, Plant and Equipment	336.61	26.24	362.85	351.51	(14.90)	336.61
Disallowances under IT Act	(45.27)	(4.64)	(49.91)	(39.54)	(5.73)	(45.27)
Total	290.73	24.29	315.02	308.97	(18.23)	290.73

Reconciliation of Tax Expenses

The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit before Tax	357.57	351.42
Statutory Tax Rate @ 33.063%	33.06%	33.06%
Income Tax Expense calculated @ 33.063%	(118.22)	(116.19)
Reversal of Taxes of earlier years	8.56	0.09
Difference in Book and IT Depreciation	(11.76)	8.24
Effect of expenses that are not deductible in determining taxable profits	0.65	(0.48)
Others	0.30	0.78
Tax Expenses	(120.46)	(107.57)

16 Trade Payables

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Micro and Small Enterprises (Refer Note below)	46.23	40.63	20.73
Trade Payables	544.20	492.03	441.10
Total	590.43	532.66	461.83

Notes to Financial Statements for the Year ended 31st March, 2018
Details of dues to Micro and Small Enterprises as per MSMED Act, 2006

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Principal Amount outstanding to suppliers under MSMED Act, 2006 beyond the appointed date	46.23	40.63	20.73
Interest accrued on the amount due to suppliers under MSMED Act on the above amount	-	-	-
Payment made to suppliers (Other than interest) beyond the appointed date during the year	-	-	-
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-	-
Interest due and payable to suppliers under MSMED Act for payments already made.	-	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED.	-	-	-
Total	46.23	40.63	20.73

17 Other Financial Liabilities (Amount in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Non-Current			
Payable for Capital Goods	18.78	-	-
Total	18.78	-	-
(i) Current			
Current maturities of long-term debt from Banks - Term Loan	46.96	5.88	180.00
Current maturities of long-term debt from Banks - Car Loan	6.44	-	3.89
Interest accrued but not due	1.91	-	0.89
Unpaid Dividend	3.29	4.16	3.97
Others Payables	109.10	127.99	108.11
Total	167.69	138.03	296.86

18 Current Tax Liabilities (Amount in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for Taxation - (Net of TDS & Advance Tax)	-	9.66	22.10
Total	-	9.66	22.10

19 Other Current Liabilities (Amount in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Statutory Liabilities	85.38	45.46	66.44
Advances from customers	2.43	14.36	19.21
Payable for Capital Goods	17.25	-	-
Total	105.06	59.82	85.65



Notes to Financial Statements for the Year ended 31st March, 2018

20 Revenue from Operations

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
a) Sale of Manufactured Goods (Texturised, Twisted, Dyed & Fancy Yarn)		
Domestic Sales	7,240.83	7,536.90
Export Sales	938.62	1,010.44
	8,179.45	8,547.34
b) Processing Charges (Texturising, Twisting & Dyeing)	1,590.23	1,174.15
c) Sale of Waste Yarn	8.36	7.81
Sub Total (a)+(b)+(c)	9,778.05	9,729.29
d) Other Operating Revenue Export Incentives	50.22	126.80
Total	9,828.27	9,856.09

21 Other Income

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(i) Interest received	22.42	43.00
(ii) Sundry balances written back	1.61	2.49
(iii) Foreign exchange fluctuation gain	14.10	11.58
(iv) Other Misc Income	22.57	3.53
(v) Reversal of allowances for doubtful debts	3.48	-
Total	64.19	60.59

22 Cost of Materials Consumed

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Indigenous		
Opening stock	147.44	152.53
Add: Purchases	5,663.15	5,749.06
	5,810.59	5,901.59
Less: Closing stock	164.74	(147.44)
Total	5,645.85	5,754.15

Materials Consumed

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Yarns	4,711.04	4,646.63
Dyes & Chemicals	934.81	1,107.52
Total	5,645.85	5,754.15

23 (Increase)/Decrease In Inventories of Finished Goods

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening Inventories	235.26	297.95
Less: Closing Inventories	246.30	235.26
Total	(11.04)	62.69

Notes to Financial Statements for the Year ended 31st March, 2018

24 Employee benefit expenses

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries and Wages	1,236.98	1,046.51
Contributions to Provident fund / ESIC & LWF	97.00	71.45
Staff welfare expenses	31.98	29.58
Total	1,365.96	1,147.54

25 Finance Cost

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Expenses (effective interest rate method): Financial liabilities measured at amortised cost		
On Term Loans	12.69	23.21
On Working Capital	23.27	12.13
On Unsecured Loans & Others	18.78	8.03
Total	54.73	43.37

26 Other Expenses

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Manufacturing Expenses:		
Stores and spares consumed		
Indigenous	130.83	87.70
Imported	3.03	1.41
	133.86	89.11
Packing Materials	442.03	394.54
Power and fuel	943.82	948.84
Machinery Repairs and maintenance	15.95	39.98
Processing & Labour Charges	17.79	28.54
Security Charges	30.66	37.46
Factory Expenses	31.04	31.69
Excise Duty	0.44	17.22
Administrative & Selling Expenses:		
Freight and forwarding	183.33	284.87
Sales Tax	1.06	0.66
Advertisement & Business Promotion expenses	22.55	7.48
Rent, Rates & Taxes	13.39	31.11
Repairs - Buildings	34.54	75.94
Repairs - Others	55.60	38.75
Insurance	4.03	3.51
Travelling & Conveyance	31.32	44.50
Printing and stationery	18.27	26.56
Bank Charges & Commission	7.53	16.25
Postage, Telephone and Courier Charges	10.77	13.02
Vehicle Maintenance Exps	21.72	17.47
Office Electricity	5.49	5.29

Notes to Financial Statements for the Year ended 31st March, 2018

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Donations	0.94	0.86
Legal and professional fees	61.28	53.30
Director's Remuneration	76.52	58.10
Director's Sitting Fees	3.10	2.70
Payments to Auditors		
Statutory & Tax Audit Fees	2.95	3.31
Certification fees	0.82	0.78
	3.77	4.08
Miscellaneous Expenses	17.92	18.48
Loss on sale of Fixed assets	2.01	1.22
Bad Debts	0.77	1.00
Provision for ECL	-	2.35
Total	2,191.51	2,294.86

Note 27: Other Notes to Accounts

I. Estimated Amount of Contracts Remaining to be Executed :

Particulars	Current Year	Previous Year
Estimated amount of contracts remaining to be executed on capital account and not provided for.		
a) Tangible Assets	25.00	40.00
b) Intangible Assets	Nil	Nil
c) Advance given to Suppliers of the Capital Goods/Assets is shown in other current Assets pending to be capitalized and will be capitalized on completion/commencement of Productions	9.20	29.06
Derivatives Contracts entered into by the company for hedging and outstanding as on 31/03/2018:		
Forward Contracts	13.01	Nil

II. Contingent Liabilities in respect of :

₹ in lakhs

Particulars	Current Year	Previous Year
A) Claims against the Company not acknowledged as debts :	2.39	2.39

III. Earnings Per Share :

Particulars	Current Year	Previous Year
Profit after Tax (₹ in lakhs)	237.65	240.01
Weighted Average number of Equity Shares (Shares in Lakhs)	76.608	76.608
Nominal Value per Share (Amount In ₹.)	10	10
Earnings per Share (of ₹ 10/- each)	3.10	3.13

IV. Employee Benefits : As per Ind AS-19, "Employee Benefits", the disclosure of employee benefits is given below:

A. Defined Contribution Plans:

"Contribution to Provident and other funds" is recognised as an expense in "Employee Benefit Expenses" of the Statement of Profit and Loss.

B. Defined Benefit Plan

The company provides gratuity benefits to its employees as per the statute. Present value of gratuity obligation (Non-Funded) based on actuarial valuation done by an independent valuer using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for compensated absences (Non-funded) is recognized in the same manner as gratuity.

Notes to Financial Statements for the Year ended 31st March, 2018

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at 31st March, 2018:

i. Actuarial Assumptions as at	31 March, 2018	31 March, 2017
Mortality Rate	IALM (2006-08)	IALM (2006-08)
Discount Rate	7.72%	7.49%
Salary escalation rate	6.00%	6.00%
Rate of return (expected) on plan assets	0.00%	0.00%
Attrition rate	1%throughout	1%throughout
Benefits (As per Act) with Limit	2,000,000	1,000,000
Retirement age	60	60
Expected average remaining service	25(23.7)	25(23.7)
ii. Data Information	31 March, 2018	31 March, 2017
Number of members	904	811
Total monthly salaries (₹ . In Lakhs)	76.76	71.99
Average Monthly Salaries	8,491.00	8,876.00
Average age	32.77	32.94
Average Service (years)	2.0	2.6
iii. Changes in present value of obligations	31 March, 2018	31 March, 2017
PVO at beginning of year	71.13	62.43
Interest cost	5.39	4.52
Current service cost	3.85	3.87
Benefits Paid	(2.66)	(5.43)
Actual(gain)/loss on obligation	(0.81)	5.75
PVO at end of year (all Units together)	76.90	71.13
iv. Changes in fair value of plan assets	31 March, 2018	31 March, 2017
Fair Value of Plan Assets at beginning of year	-	-
Expected Return on Plan Assets	-	-
Contributions	2.66	5.43
Benefit Paid	(2.66)	(5.43)
Actuarial (gain)/loss on plan assets	-	-
Fair Value of Plan Assets at end of year (estimated)	-	-
v. Fair Value of Plan Assets	31 March, 2018	31 March, 2017
Fair Value of Plan Assets at beginning of year	-	-
Actual Return on Plan Assets	-	-
Contributions	2.66	5.43
Benefit Paid	(2.66)	(5.43)
Fair Value of Plan Assets at end of year	-	-
Funded Status	(76.90)	(71.13)
Excess of actual over estimated return on Plan Assets	-	-
vi. Actuarial (gain)/loss Recognized	31 March, 2018	31 March, 2017
Actuarial (gain)/loss for the year (Obligation)	0.81	(5.75)
Actuarial (gain)/loss for the year (Plan Assets)	-	-
Total (gain)/loss for the year	0.81	(5.75)
Actuarial (gain)/loss recognized for the year	0.81	(5.75)
Unrecognized Actuarial (gain)/loss at end of year	-	-

Notes to Financial Statements for the Year ended 31st March, 2018

vii. Amounts to be recognized in the balance sheet and statement of profit & loss	31 March, 2018	31 March, 2017
PVO at end of year	76.90	71.13
Fair Value of Plan Assets at end of year	-	-
Funded Status	(76.90)	(71.13)
Unrecognized Actuarial (gain)/loss	-	-
Net Asset/(Liability) recognized in the balance sheet	(76.90)	(71.13)
viii. Expense recognized in the statement of profit & loss	31 March, 2018	31 March, 2017
Current Service Cost	3.85	3.87
Interest cost	5.39	4.52
Expected Return on Plan Assets	-	-
Net Actuarial (gain)/loss recognized for the year	(0.81)	5.75
Expense recognized in the statement of P & L A/C	8.43	14.14
ix. Movements in the Liability recognized in Balance Sheet	31 March, 2018	31 March, 2017
Opening Net Liability	71.13	62.43
Expenses as above	8.43	14.14
Contribution paid	(2.66)	(5.43)
Closing Net Liability	76.90	71.13
x. Break up of total liabilities as per Revised Schedule VI of Companies Act.	31 March, 2018	31 March, 2017
Current liabilities.	3.41	1.72
Non-current liability	73.50	69.41
Total liability	76.90	71.13
xi. Experience History Information:	31 March, 2018	31 March, 2017
Defined benefit obligation at end of period	76.90	71.13
Plan Assets at end of period (No Fund)	-	-
Funder status - Surplus / (Deficit)	76.90	71.13
Actuarial (gain) /loss due to change in basis	(2.78)	1.05
Actuarial (gain) /loss due to experience	1.97	4.69
Total Actuarial (gain) / loss in liabilities.	(0.81)	5.75
Experience (gain)/loss in plan assets	-	-

xii. There is no contribution under defined contribution plans and defined benefit plans in respect of Key Management Personnel.

xiii. Risks associated with defined benefit plan:

Gratuity is a defined plan and company is exposed to the following Risks:

Interest rate risk: A fall in the discount rate which is linked to the Government Securities Rate will increase the present value of the liability requiring higher provision.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Company has to manage payout based on pay as you go basis from our own funds.

Mortality Risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Notes to Financial Statements for the Year ended 31st March, 2018
xiv. Expected future benefit payments:

The following is the maturity profile of the benefit expected to be paid for each of the next five years and the aggregate five years thereafter:

Year Ending 31 st March	₹ in lakhs	
	31/03/2018	31/03/2017
2018	3.301	2.890
2019	0.668	2.979
2020	1.200	1.022
2021	1.904	1.276
2022	0.640	2.551
2023-2027	7.835	8.072
There after	61.356	52.342

xv. Sensitivity Analysis:

The Sensitivity analysis has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation.

As it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Sensitivity Analysis						
Assumptions	Discount rate		Future salary increase		Attrition rate	
	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation						
Current Year	66.67	89.18	89.82	66.44	77.66	75.88
Previous Year	58.92	85.96	85.19	59.38	72.04	69.38

The sensitivity analysis presented above may not be representative of the actual change in the defined obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some assumption may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the project unit credit method at the end of the reporting period, which is same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

V. Related Party Information :
A. List of Related Parties with whom Transactions have taken place during the Year :

Key Management Personnel (KMP) Director	Mr. Suresh N. Mutreja - (Chairman & Managing Director) Mr. Varun S. Mutreja - (Director) Mr. Kunal S Mutreja - (Director) Mrs. Asha S Mutreja – (Women Director) Mr. Pradip C. Shah - (Independent Director)
Relative of KMP	Mrs. Sheeladevi N. Mutreja – Mother of Chairman & Managing Director Mrs. Tina K. Mutreja – Daughter in Law of Chairman & Managing Director Mr. Ankit S. Mutreja – Son of Chairman & Managing Director Mr. Lalit N. Mutreja – Brother of Chairman & Managing Director Mr. Vinod N. Mutreja – Brother of Chairman & Managing Director Mr. Punit P. Shah - (Son of Independent Director)

Notes to Financial Statements for the Year ended 31st March, 2018

B. Transactions with Related Parties:

₹ in lakhs

Sr. No.	Nature of Transactions	Director	Key Management Personnel	Relatives of Key Management Personnel/ Director	Total
1	Rent income		-	Nil	Nil
			-	(3.00)	(3.00)
2	Rent and Maintenance charges		-	6.50	6.50
			-	(25.99)	(25.99)
3	Packing Materials, Labour Charges & Transport Charges		-	300.44	300.44
			-	(194.23)	(194.23)
4	Remuneration		76.64	3.52	80.16
			(58.10)	(20.40)	(78.50)
5	Interest Payment	3.66	-	0.26	3.92
		(3.59)	-	Nil	(3.59)
6	Directors Sitting Fees	3.10	-	-	3.10
		(2.70)	-	-	(2.70)
7	Professional Fees		-	2.45	2.45
			-	(2.45)	(2.45)
8	Balances as on 31.03.2018				
	Rent and Maintenance Charges		-	0.95	0.95
			-	(1.03)	(1.03)
	Amount due to Director		4.41	Nil	4.41
			(2.86)	(0.24)	(3.10)
	Professional Fees		-	Nil	Nil
			-	(0.33)	(0.33)

Notes:

- Related Party information is as identified by the Company and relied upon by the Auditors.
- The above figures are exclusive of Service Tax/GST wherever applicable.

VI. Leases:

The Company has entered into lease agreement for its lease hold land at Vapi unit and Amravati Unit. The future minimum rentals payable under Indian Accounting Standard 17" Leases" (Ind AS 17) as required to be disclosed are as follows:

₹ in lakhs

Particulars	Current Year	Previous Year
Within one year	2.56	2.56
After one year but not more than five years	10.54	10.54

VII. Financial Risk Management

Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Board of Directors. Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

Notes to Financial Statements for the Year ended 31st March, 2018
A. Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, management performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio. The Company's interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Exposure to interest rate risk

₹ in lakhs

Particulars	Current Year	Previous Year
Total Borrowings with Variable interest rate	678.21	561.92

Interest rate Sensitivity

A change of 50 bps in interest rates would have following impact on profit for the year.

₹ in lakhs

Particulars	Current Year	Previous Year
50 bps increase would decrease the profit before tax by	(1.95)	(1.90)
50 bps decrease would increase the profit before tax by	1.95	1.90

B. Market Risk- Foreign Currency risk:

The Company has international operations and portion of the business is transacted in USD/EURO and consequently the Company is exposed to foreign exchange risk through its sales to foreign customers and purchases of goods & purchase of services from overseas suppliers.

Derivative instruments and unhedged foreign currency exposure:

(a) Derivative contracts outstanding as at 31st March, 2018

₹ in lakhs

Particulars	Current Year	Previous Year
Forward Contracts to sell USD	13.01	Nil

(b) Particulars of unhedged foreign currency exposures

₹ in lakhs

Particulars	Current Year			Previous Year		
	Amount	5% Increase	5% Decrease	Amount	5% Increase	5% Decrease
Import of Goods and Services						
Stores, Spares and Components	9.69	0.48	(0.48)	1.43	0.07	(0.07)
Capital Goods	57.98	2.90	(2.90)	--	--	--
Commission	1.23	0.06	(0.06)	0.54	0.03	(0.03)
Export of Goods						
FOB Value of Export Sales (unhedged)	841.39	42.07	(42.07)	857.25	42.86	(42.86)

C. Equity Price Risk

The company does not have any investment in equity instruments and hence equity price risk does not affect the company materially.

D. Liquidity Risk

The principal sources of liquidity of the Company are cash and cash equivalents, borrowings and the cash flow that is generated from operations. The Company believes that current cash and cash equivalents, tied up borrowing lines and cash flow that is generated from operations is sufficient to meet its requirements. Accordingly, liquidity risk is perceived to be low. The following



Notes to Financial Statements for the Year ended 31st March, 2018

table shows the maturity analysis of financial liabilities of the Company based on contractually agreed undiscounted cash flows as at the Balance Sheet date:

₹ in lakhs

As At 31 st March, 2018	Note No.	Carrying Amount	Less than 12 Months	More than 12 Months
Borrowings	13 (i) (ii)	780.28	435.82	344.46
Trade payables	16	590.43	590.43	--
Other Financial Liabilities	17 (i) (ii)	186.47	167.69	18.78

₹ in lakhs

As At 31 st March, 2017	Note No.	Carrying Amount	Less than 12 Months	More than 12 Months
Borrowings	13 (i) (ii)	529.74	444.33	85.41
Trade payables	16	532.66	532.66	--
Other Financial Liabilities	17 (i) (ii)	138.03	138.03	--

₹ in lakhs

As At 1 st April, 2016	Note No.	Carrying Amount	Less than 12 Months	More than 12 Months
Borrowings	13 (i) (ii)	328.08	140.73	187.35
Trade payables	16	461.83	461.83	--
Other Financial Liabilities	17 (i) (ii)	296.86	296.86	--

VIII. Capital risk management

(a) Risk Management

The Company aims to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders

The capital structure of the Company is based on management's judgment of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure

(b) Dividend

₹ in lakhs

Particulars	Current Year	Previous Year
Final Dividend for the year ended 31 st March, 2017 of ₹ 1 per Equity Share (31 st March, 2016 of ₹ 1 per Equity Share)	76.61	76.61

IX. Financial Instrument:

The significant accounting policies, including the criteria of recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability, and equity instrument are disclosed in note 2.9 of the Ind AS financial statements.

Notes to Financial Statements for the Year ended 31st March, 2018
(a) Financial assets and liabilities

 The carrying value of financial instruments by categories as at 31st March, 2018 are as follows: ₹ in lakhs

Particulars	See Note	Fair Value through Profit or Loss	Fair Value Through OCI	Amortized Cost	Total carrying value
Financial Assets					
Non Current					
Other Financial Assets	4 (i)			42.41	42.41
Current					
Trade Receivable	8			805.61	805.61
Other Financial Assets	4 (ii)			3.40	3.40
Total				851.42	851.42
Financial Liabilities					
Non Current					
Borrowings	13 (i)			344.46	344.46
Current					
Borrowings	13 (ii)			435.82	435.82
Trade payables	16			590.43	590.43
Other Financial liabilities	17			167.69	167.69
Total			-	1538.40	1538.40

 The carrying value of financial instruments by categories as at 31st March, 2017 are as follows: ₹ in lakhs

Particulars	See Note	Fair Value through Profit or Loss	Fair Value Through OCI	Amortized Cost	Total carrying value
Financial Assets					
Non Current					
Other Financial Assets	4 (i)			58.73	58.73
Current					
Trade Receivable	8			718.18	718.18
Other Financial Assets	4 (ii)			11.82	11.82
Total				788.73	788.73
Financial Liabilities					
Non Current					
Borrowings	13 (i)			85.41	85.41
Current					
Borrowings	13 (ii)			444.33	444.33
Trade payables	16			532.66	532.66
Other Financial liabilities	17			138.03	138.03
Total				1200.43	1200.43



Notes to Financial Statements for the Year ended 31st March, 2018

The carrying value of financial instruments by categories as at 1st April, 2016 are as follows:

₹ in lakhs

Particulars	See Note	Fair Value through Profit or Loss	Fair Value Through OCI	Amortized Cost	Total carrying value
Financial Assets					
Non Current					
Other Financial Assets	4 (i)			58.73	58.73
Current					
Trade Receivable	8			634.86	634.86
Other Financial Assets	4 (ii)			12.20	12.20
Total				705.79	705.79
Financial Liabilities					
Non Current					
Borrowings	13 (i)			187.35	187.35
Current					
Borrowings	13 (ii)			140.73	140.73
Trade payables	16			461.83	461.83
Other Financial liabilities	17			296.86	296.86
Total				1086.77	1086.77

Carrying amounts of cash and cash equivalents, trade receivables, loans and trade payable as at 31st March, 2018, 31st March, 2017 and 1st April, 2016 approximate the fair value because of their short term nature. Difference between the carrying amount and fair values of other financial liabilities subsequently measured at amortized cost is not significant in each of the year's presented.

Fair Value Hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs are other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. prices) or indirectly (i.e. derived from prices).

Level 3: Inputs are not based on observable market data unobservable inputs. Fair value are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The following table summarizes financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured on fair value on recurring basis (but fair value disclosures are required).

₹ in lakhs

As at 31 st March, 2018	Level 1	Level 2	Level 3	Total
Financial Assets :				
Security Deposits	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil
Financial Liability:				
Borrowing from a Bank	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil
Financial Liability:				
Borrowing from a Bank	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil

Notes to Financial Statements for the Year ended 31st March, 2018

₹ in lakhs

As at 31 st March, 2017	Level 1	Level 2	Level 3	Total
Financial Assets :				
Security Deposits	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil
Financial Liability:				
Borrowing from a Bank	Nil	Nil	Nil	Nil
	Nil	Nil	Nil	Nil

₹ in lakhs

As at 1 st April, 2016	Level 1	Level 2	Level 3	Total
Financial Assets :				
Security Deposits	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil

₹ in lakhs

Financial Liability:				
Borrowing from a Bank				
Total	Nil	Nil	Nil	Nil

X. Disclosures required by Ind AS 101 First Time Adoption of Indian Accounting Standards:
A. Reconciliation of Statement of Total Equity as at 1st April, 2016 and 31st March, 2017

₹ in lakhs

Particulars	As at 31-03-2017	As at 1-04-2016
Total Equity (Shareholders' Funds) under previous GAAP	2,922.38	2,685.15
Proposed Dividend including tax thereon	-	92.29
Finance cost on borrowings recorded as per EIR method	2.01	1.51
Amortisation on leasehold land	-2.68	-2.35
ECL on trade receivables	-12.95	-10.60
Prior period items	2.44	-
Deferred Tax adjustment on above	5.52	3.00
Total adjustment to equity	-5.66	83.85
Total equity under Ind AS	2,916.72	2,769.00

B. Reconciliation of Total Comprehensive Income for the year ended on 31st March, 2017

₹ in lakhs

Particulars	Year ended 31-03-2017 (Latest period presented under previous GAAP)
Profit as per previous GAAP	237.24
Finance cost on borrowings recorded as per EIR method	0.50
Amortisation on leasehold land	(0.33)
ECL on trade receivables	(2.35)
Prior period items	2.44
Remeasurement of defined benefit obligation	5.75
Deferred Tax adjustment on above	0.61
Total effect of transition to Ind AS	6.62
Profit as per Ind AS	243.86
Other Comprehensive Income for the year	-
Remeasurement of defined benefit obligation	(5.75)
Deferred Tax adjustment on above	1.90
Total Comprehensive Income as per Ind AS	240.01



Notes to Financial Statements for the Year ended 31st March, 2018

C. Material adjustments made during transition from previous GAAP to Ind AS:

C.1 Proposed Dividend:

Under the previous GAAP, dividend proposed by the board of directors after the balance sheet date but before the approval of the Financial Statements were considered as adjusting events and accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the Shareholders in the general meeting. Accordingly, the liability for proposed dividend as at 1st April, 2016 included under the Provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity has been increased by an equivalent amount.

C.2 Security Deposit at Fair Value:

Under Indian GAAP, the deposits are valued at cost less provision for impairment. Ind AS requires certain categories of financial assets and liabilities to be measured at amortized cost using the effective interest rate method. Deposit is a Financial Asset as the lease agreement gives a contractual right to the company to receive cash. Deposit satisfies the contractual cash flow characteristic test and it also satisfies the business model test as there is intention of holding to collect contractual cash flows. Thus the deposits given for rentals have to be valued at amortized cost.

C.3 Bank Borrowings recorded at fair value as per EIR method:

Ind AS 109 requires borrowings and financial liabilities to be carried at amortised cost. Accordingly, any transaction cost incurred towards origination of borrowings is to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit and loss over the tenure of the borrowing as part of the interest expense by applying the EIR method. Under Ind AS, loans are valued at present value as against cost in the previous GAAP. The difference between the present value and cost is recognised in the opening retained earnings.

C.4 Provision for ECL on Financial Assets:

As per Ind AS 109, the financial assets are subject to expected credit loss. Under previous GAAP, there was no such provision. In compliance with Ind AS 109, the company has made provision of ECL on Trade Receivables following simplified approach.

C.5 Deferred Tax Adjustments on Ind AS Adjustments:

Under Previous GAAP, deferred tax was recognized based on the profit and loss method. Under Ind-AS 12, deferred tax is recognized based on the balance sheet method for all differences between the accounting and tax base. Consequentially, deferred tax has been recognised for the adjustments made on transition to Ind AS, wherever applicable.

C.6 Disclosures as required by Indian Accounting Standard (Ind-AS) 101 First Time adoption Standard:

The Company has adopted Ind AS with effect from 1st April, 2017 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Retained Earnings as at 1st April, 2016 and all the periods presented have been restated accordingly.

D. Exemptions availed on first time adoption of Ind AS 101:

On first time adoption of Ind AS, Ind AS 101 allows certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has availed the following exemptions:

The Company has opted to continue with the carrying values measured under the previous GAAP, use that carrying value as the deemed cost for property, plant and equipment, and intangible assets and Investment Property on the date of transition.

E. Mandatory Exemptions:

The following mandatory exemptions have been applied in accordance with Ind AS 101 in preparing the financial statements:

a) Estimates:

(i) Impairment of financial assets based on the expected credit loss model.

b) Classification and movement of financial assets and liabilities:

The Company has classified the financial assets and liabilities in accordance with Ind AS 109 on the basis of facts and circumstances that existed at the date on transition to Ind AS.

XI. The Company's financial statements were authorized for issue in accordance with a resolution of the Board of Directors on 21st May, 2018 in accordance with the provisions of the Companies Act, 2013 and are subject to the approval of the shareholders at the Annual General Meeting.



Notes to Financial Statements for the Year ended 31st March, 2018

XII. The figures in the financial statements are rounded off to the nearest lakhs and indicated in lakhs of Rupees.

XIII. Previous year's figures have been regrouped/re-arranged wherever necessary in order to conform to those of the Current Year

Signatures to Notes "1" to "27"

As per our report of even date attached
For Bastawala And Associates
Chartered Accountants
Firm Registration No. 121789W

Pranav Bastawala
Partner
Membership No.: 100468

Place: Mumbai
Date: 21st May, 2018

For and on behalf of the Board
Valson Industries Limited

Suresh N. Mutreja
Chairman & MD

Varun S. Mutreja
Director & CFO

Kunal S. Mutreja
Director & CEO



Financial Performances for Last three years

(Rs.in Lakhs)

Particulars	2018	2017	2016
Revenue from operations (net)	9828.27	9856.09	9216.57
Expenses	9192.28	9259.25	8654.65
Earnings before other Income Interest, Tax, Depreciation	635.99	596.84	561.92
Other Income	64.19	60.59	320.70
Earnings before Interest, Tax, Depreciation (EBITDA)	700.18	657.42	882.62
Finance costs	54.73	43.37	71.23
Earnings before Tax, Depreciation (EBTDA)	645.45	614.05	811.38
Depreciation and amortisation expense	287.88	262.63	276.38
Earnings before Tax	357.57	351.42	535.00
Taxes	(120.46)	(107.57)	(143.34)
OCI Effect	0.54	(3.85)	-
Earnings after Tax	237.65	240.01	391.66
A) EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Equity Share capital	766.08	766.08	766.08
(b) Other Equity	2296.09	2150.64	2002.92
Non-current liabilities			
(a) Borrowings	344.46	85.41	187.35
(b) Other Long term Liabilities	18.78	-	-
(c) Provisions	76.02	69.41	61.08
(d) Deferred tax liabilities (net)	315.02	290.73	308.97
Current liabilities			
(a) Borrowings	435.82	444.33	140.73
(b) Trade payables	590.43	532.66	461.83
(c) Other Financial liabilities	167.69	138.03	296.86
(d) Provisions	1.69	1.72	1.34
(e) Current Tax Liabilities	-	9.66	22.10
(f) Other Current Liabilities	105.06	59.82	85.65
Total	5117.14	4548.49	4334.91
B) ASSETS			
Non-current assets			
(i) Property ,Plant and Equipment	3321.17	2904.17	2542.30
(ii) Capital work-in-progress - Tangible	25.39	18.67	4.82
(iii) Other Intangible assets	5.82	2.84	5.87
(iv) Non Current Investments	-	-	175.00
(v) Other Financial Assets	42.41	58.73	58.73
(vi) Other Non Current Assets	16.22	36.07	107.44
Current assets			
(a) Inventories	469.13	439.08	463.49
(b) Trade receivables	805.61	718.78	634.86
(c) Cash and cash equivalents	6.76	14.24	12.71
(d) Bank balances other than (c) above	57.46	72.37	69.36
(e) Loans	22.70	23.21	30.59
(f) Other Financial Assets	3.40	11.82	12.20
(g) Other Current Assets	341.07	248.50	217.53
Total	5117.14	4548.49	4334.91

Financial Performances for Last three years
Important Ratios

Year Ended March	2018	2017	2016
(A) Measures of Performance			
Operating Profit	7.12%	6.67%	9.58%
Interest / Sales	0.56%	0.44%	0.77%
Gross Profit Margin	6.57%	6.23%	8.80%
Net Profit after Tax	2.42%	2.44%	4.25%
Return of Net worth	7.76%	8.23%	14.14%
(B) Measures of Financial Status			
Debt / Equity Ratio (LT & ST)	0.3	0.2	0.1
Current Ratio	1.3	1.3	1.4
Interest Coverage	15.0	17.6	14.4
Debtors Period (in Days)	29.9	26.6	25.1
Fixed Assets to Turnover	2.9	3.4	3.6
(C) Measures of Investments			
Earnings Per Share (EPS/Diluted)	3.10	3.13	5.11
Cash Earnings per Share	6.86	6.56	8.72
Dividend per Share	1.00	1.00	1.00
Dividend Payout (%)	32.2%	31.9%	19.6%
Profit Plough back (%)	67.8%	68.1%	80.4%
Book Value	39.97	38.07	36.15



**FORM NO. MGT – 11
PROXY FORM**

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

CIN:	L17110MH1983PLC030117
Name of the Company:	VALSON INDUSTRIES LIMITED
Registered Office:	28, Bldg No. 6, Mittal Industrial Estate, Sir M. V. Road, Andheri (East), Mumbai – 400 059
Email ID:	pritesh@valsonindia.com
Folio No / Client ID / DP ID:	

I/We, being the member (s) of _____ shares of the above named Company, hereby appoint:

1.	Name		
	Address		
	Email Id	Or failing him	
	Signature		
2.	Name		
	Address		
	Email Id	Or failing him	
	Signature		
3.	Name		
	Address		
	Email Id	Or failing him	
	Signature		

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company, to be held on the Saturday, 29th September, 2018 at 4.00 p.m. at the Registered Office of the Company situated at 28, Bldg No. 6, Mittal Industrial Estate, Sir M. V. Road, Andheri (East), Mumbai – 400 059 and at any adjournment thereof in respect of such resolutions as indicated below:

Sr. No.	Resolutions	For	Against
1.	Adoption of Financial Statements for the year ended 31 st March, 2018		
2.	Declaration of dividend on equity shares		
3.	Re-Appointment of Mr. Kunal S. Mutreja, who retires by rotation		
4.	Appointment M/s. Bastawala And Associates., Chartered Accountants as Statutory Auditors and to fix their remuneration		
5.	Regularization of appointment of Mrs. Radhika V. Shah as Additional Director		
6.	Adoption of new set of Articles of Association of the Company		

Signed this _____ day of _____ 2018.

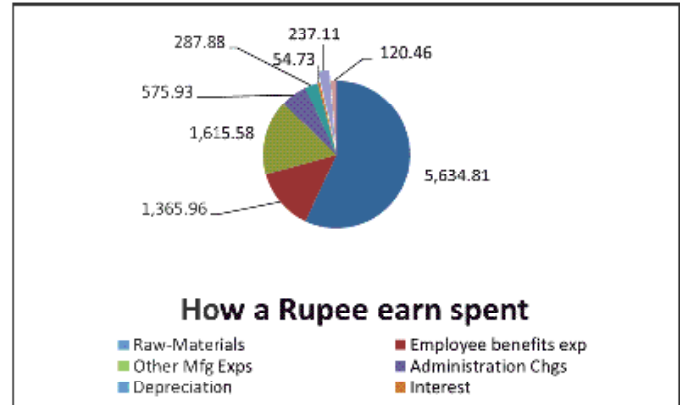
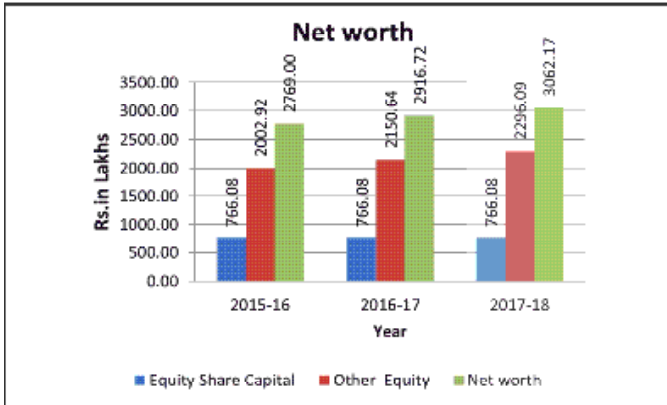
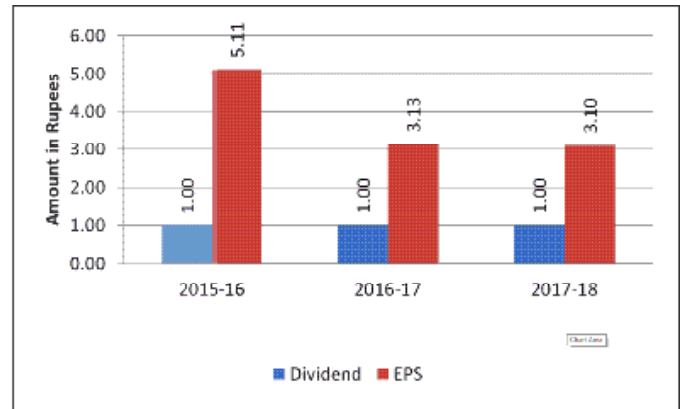
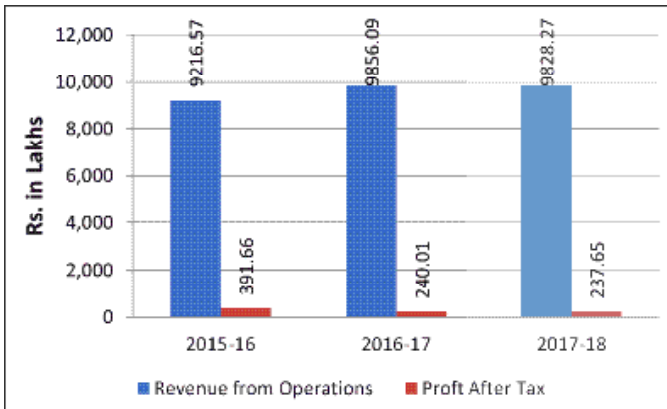
Signature of shareholder : _____

Signature of Proxy Holder (s): _____

Affix
revenue
stamp

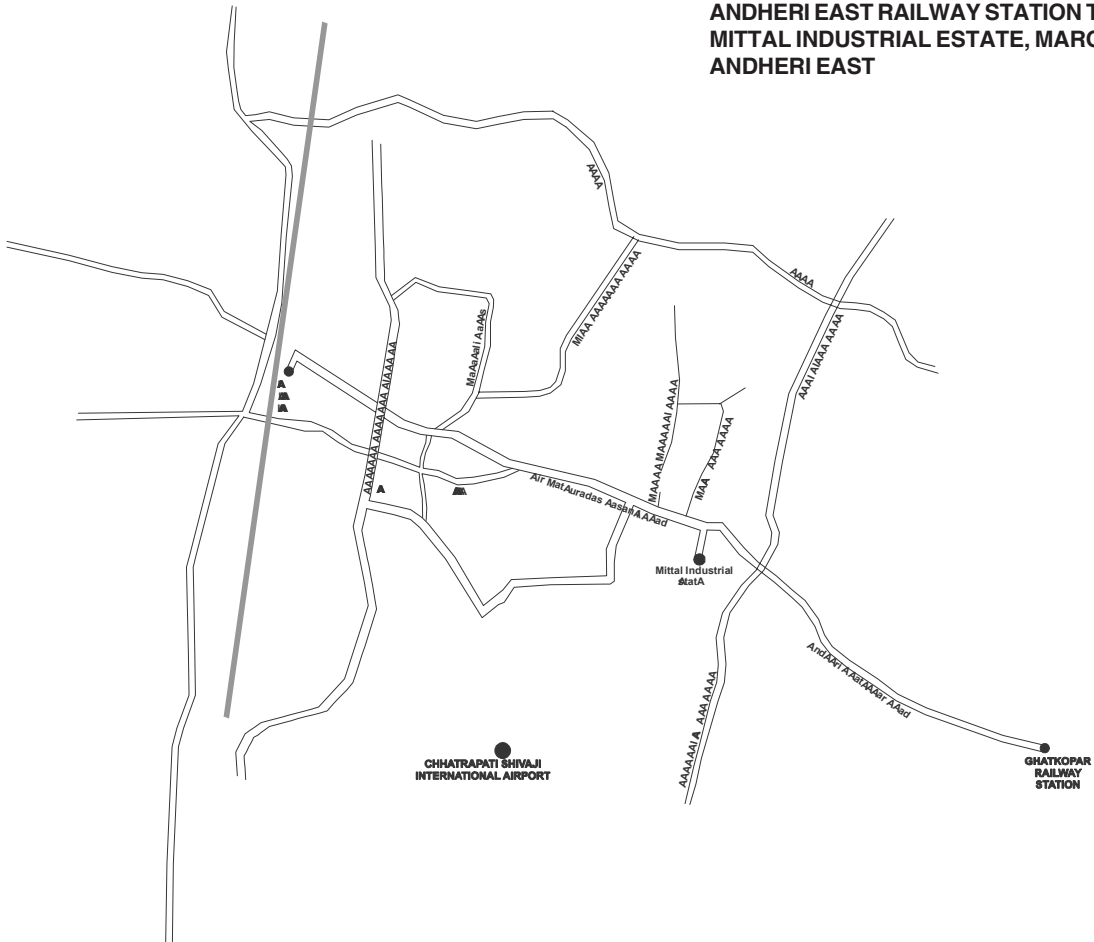
NOTE: The Proxy Form in order to be effective should be completed and deposited at the Registered Office of the Company not less than 48 before the commencement of the Meeting.

FINANCIAL HIGHLIGHTS



BOOK - POST

**ANDHERI EAST RAILWAY STATION TO
MITTAL INDUSTRIAL ESTATE, MAROL,
ANDHERI EAST**



VALSON INDUSTRIES LIMITED

28, Bldg. No. 6, Mittal Industrial Estate, Sir M. V. Road, Andheri (East), Mumbai 400 059