



**INDUSTRIES LIMITED**

CIN : L17110MH1983PLC030117

***30<sup>TH</sup> ANNUAL REPORT***  
***2013-2014***

## 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.

May 30, 2014

**FORM A**  
**(Pursuant to clause 31 (a) of the Listing Agreement**

1.	Name of Company	Valson Industries Limited
2.	Annual Financial Statement for the year ended	March 31, 2014.
3.	Type of Audit Observation	Un-qualified
4.	Frequency of Observation	Note Applicable

**For M/s. Mehta Chokshi & Shah**

Chartered Accountants,  
Firm Registration No. 106201W



Abhay R Mehta  
Partner

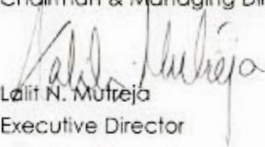
Membership No. 46088




**For and on behalf of the Board**

S. N. Mutreja

Suresh N. Mutreja  
Chairman & Managing Director



Lalit N. Mutreja  
Executive Director



Kunal S. Mutreja  
Chief Executive Officer





## COMPANY INFORMATION

### BOARD OF DIRECTORS

Shri Suresh N. Mutreja, Chairman & Mg. Director  
Shri Lalit N. Mutreja, Executive Director  
Shri Chandan Gupta, Independent Director  
Shri Surendra Kumar Suri, Independent Director

### AUDIT COMMITTEE

Shri Chandan Gupta  
Shri Surendra Kumar Suri  
Shri Lalit N. Mutreja

### SHAREHOLDERS/INVESTORS'

#### GRIEVANCES COMMITTEE

Shri Suresh N. Mutreja  
Shri Lalit N. Mutreja  
Shri Surendrakumar Suri

### AUDITORS

M/s. Mehta Chokshi & Shah  
Chartered Accountants, Mumbai

### BANKERS

Bank of India  
IDBI Bank

### REGISTRAR & TRANSFER AGENT

Link Intime India Pvt. Ltd.  
C-13, Pannalal Silk Mills Compound,  
LBS Marg, Bhandup (W),  
Mumbai 400 078.

### 30<sup>th</sup> ANNUAL GENERAL MEETING

on 13th September, 2014  
at 11.30 a.m. at  
28, Bldg. No. 6, Mittal Industrial Estate,  
Sir M. V. Road, Andheri (East), Mumbai 400 059.

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### REGISTERED OFFICE

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

### MANUFACTURING UNIT AT:

Vapi, Gujarat  
Silvassa, UT of Dadra & Nagar Haveli

## NOTICE

Notice is hereby given that the 30th Annual General Meeting of the Members of Valson Industries Limited will be held on 13th day, September, 2014 at 11.30 A.M. at the Registered Office of the Company situated at Premises No. 28, Ground Floor, Building 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 the Audited Balance Sheet as at March 31, 2014 and the Profit and Loss Account for the financial year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares (@ 8% (i.e. Re.0.80 paise per Equity share).
3. To appoint a Director in place of Mr. Lalit N. Mutreja, who retires by rotation and being eligible, offers him-self for re-appointment.
4. To re-appoint M/s. Mehta Chokshi & Shah, Chartered Accountants, Mumbai as the Statutory Auditors of the Company; to hold office as such from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS

5. To consider and if thought fit to pass the following resolution as Special Resolution:

**"RESOLVED THAT** in super session of the ordinary resolution passed by the members of the Company from time to time, the Board of Directors of the Company be and is hereby authorized in accordance with the provisions of Section 180 (1) (c) and all other applicable provisions, if any, of the Companies Act, 2013, to borrow periodically from, including without limitation, any Banks and / or public financial institutions as defined under Section 2 (72) of the Companies Act, 2013 and / or any foreign financial institution(s) and / or any entity / entities or authority / authorities and / or through suppliers credit securities instruments, such as floating rate notes, fixed rate notes, syndicated loans, debentures, commercial papers, short term loans or any other instruments etc. and / or through credit from official agencies and / or by way of commercial borrowings from the private sector window of multilateral financial institution, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding Rs. 100 Crores (Rupees One Hundred Crores only), notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves (Reserves not set apart for any specific purpose).

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

6. To consider and if thought fit to pass the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 180 (1) (a) and all other applicable provisions, if any, of the Companies Act, 2013, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as 'the Board') to create / mortgages / charges / hypothecations, in addition to the mortgages / charges / hypothecations created by the Company on the immovable movable properties, both present and future, of the Company, in respect of all or any one or more of the undertakings of the Company, on such terms and conditions and at such times and in such form and manner, as the Board may deem fit, for an amount not exceeding Rs. 100 Crores (Rupees One Hundred Crores only) in favour of Indian / Foreign Financial Institutions, Indian / Foreign Finance Companies, Nationalized / Indian / Foreign Banks, Indian / Foreign Corporate Bodies, Indian / Foreign Mutual Funds, Indian / Foreign Insurance Companies, Indian / Foreign Pension Funds, to secure Rupee Loan / Foreign Currency Loan / Debentures or Bonds, whether fully or partly convertible or non convertible and / or securities linked with the equity shares of the Company and / or rupee / foreign currency convertible or non convertible bonds with share warrants attached or for any other facilities granted in favour of the Company collectively referred to as 'the Loans', as Security for - 'the Loans' or for any other facilities granted in favour of the Company or for the Security of any other loan / term loans raised from time to time, together with interest thereon, further interest, if any, remuneration of Trustees, costs, charges, expenses and all other moneys payable to the Trustees in terms of agreement to be entered between the Company and the Trustees.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors of the Company be and is hereby authorized to prepare, fianlise and execute with the Trustees / lending institutions, such documents, deeds, writings and agreements, as may be necessary for creating mortgages and / or charges as aforesaid and to do all such acts, deeds matters and things as may be necessary and / or expedient for giving effect to this resolution."

7. To appoint Shri Chandan Gupta (DIN: 00082609) as an Independent Director and in this regard to consider and if thought fit to pass with or without modification the following resolution as an special resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modfication(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Chandan Gupta (DIN: 00082609), who was appointed as a Direc tor liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, 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 Annual General Meeting of the Company to be held in the calendar year 2019."

8. To appoint Shri Surendrakumar Suri (DIN: 00427799) as an Independent Director and in this regard to consider and if thought fit to pass with or without modification the following resolution as an special resolution:

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"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Surendrakumar Suri (DIN: 00427799), who was appointed as Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, 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 Annual General Meeting of the Company to be held in the calendar year 2019."

9. To consider and if thought fit to pass the following resolution as Ordinary Resolution:

RESOLVED THAT pursuant to section 73 (2) of the Companies Act, 2013 read with Companies (Acceptance of deposits) Rules, 2014, the Company shall accept or renew any unsecured deposits from its members, provided that the amount of such unsecured deposits together with the other such unsecured deposits outstanding as on the date of acceptance or renewal of such unsecured deposits shall not exceed 25% of the aggregate of the paid share capital and free reserves of the company.

RESOLVED FURTHER THAT Mr. Suresh Mutreja, Managing director or Mr. Pritesh Shah, Vice-president be and is hereby authorised to do such acts, deeds and things in furtherance and implementation of the said resolution.

**By order of the Board  
VALSON INDUSTRIES LTD.  
Sd/-**

**Date: 30th May, 2014  
Place: Mumbai**

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

## **NOTES:**

1. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a Member of the Company.
2. The Proxy Form, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed to the Notice.
4. Relevant document referred to in the accompanying notice and statement are open for inspection by the members at the registered office of the company on all working day, except Saturdays during business hours up to the date of the meeting.



5. The Register of Members and Share Transfer books of the Company will remain closed from 6th day of September, 2014 to 13th day, of September, 2014 (both days inclusive).
6. Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956, dividend for the financial year March 31, 2007 and dividends declared thereafter, which remain unclaimed for a period of seven years, will be transferred by the Company to the IEPF pursuant to Section 205C of the Companies Act, 1956.

Financial Year	Date of Declaration of Dividend	Last Date of Claiming un-paid Dividend
Final Dividend 2007 - 2008	28.07.2008	02.09.2015
Final Dividend 2008 - 2009	29.08.2009	03.11.2016
Final Dividend 2009 - 2010	30.09.2010	06.11.2017
Final Dividend 2010 - 2011	30.09.2011	05.11.2018
Final Dividend 2012 - 2013	13.08.2013	17.09.2020

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 & Share Transfer Agent, Link Intime India Private Limited immediately.

**7. Members are requested to**

- (a) Intimate any change of address to their Depository Participants (DPs) in respect of their holdings in electronic form and to Link Intime India Pvt. Ltd. in respect of their physical share folios, if any.
  - (b) Bring their copy of the Annual Report to the Meeting.
  - (c) Quote folio number in all their correspondence.
  - (d) Get the multiple folios consolidated.
  - (e) Members, who hold shares in the Dematerialised form, are requested to bring their Depository Accounts Identification Number.
8. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend through Electronic Clearing Services (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend. This system shall be utilized only when the Company declares dividend.
  9. Make nominations in respect of shares held by you in physical form as provided under Section 109A of the Companies Act, 1956. Shareholders desirous of making nominations are requested to send their requests to Link Intime India Pvt. Ltd.
  10. All the shareholders are requested to register their e-mail address with the Link Intime India Private Limited for the purpose of service of documents under Section 20 of the Companies Act, 2013 by e-mode instead of physical service of documents.

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11. Information required under Clause 49 IV G of the Listing Agreement relating to Corporate Governance with respect to the Director being appointed and Directors retiring by rotation and being eligible, seeking re-appointment is as under:

i.

Particulars	Mr. Lalit N. Mutreja
Date of Birth	27/12/1971
Date of Appointment	09/09/1995
Qualifications	B.Com
Expertise in specific functional areas	Marketing of textile products since 25 years
Directorships in other Public Limited Companies*	NIL
Memberships of Committees in other Public Limited Companies* (includes only Audit & Shareholders / Investors Grievances Committee)	NIL

ii.

Particulars	Mr. Chandan Gupta
Date of Birth	07/06/1955
Date of Appointment	31/10/2003
Qualifications	B.Com, LLB, FCA, ACS
Expertise in specific functional areas	Practising Chartered Accountant since 40 years.
Directorships in other Public Limited Companies*	NIL
Memberships of Committees in other Public Limited Companies* (Includes only Audit & Shareholders / Investors Grievances Committee)	NIL

iii.

Particulars	Mr. Surendrakumar Suri
Date of Birth	24/08/1943
Date of Appointment	31/01/2005
Qualifications	B.A.
Expertise in specific functional areas	HR and Labour Law since last 40 years
Directorships in other Public Limited Companies*	NIL
Memberships of Committees in other Public Limited Companies* (includes only Audit & Shareholders / Investors Grievances Committee)	NIL

## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

#### ITEM NO. 5 - Borrowing Power

As per section 180 (1) (c) of the Companies Act, 2013, any borrowing in a Company which is beyond the paid up share capital and free reserves of the Company, requires approval of the Board of Directors in a Board Meeting and further confirmation of shareholders by special resolution passed in a shareholders meeting.

The provision is similar to section 293(1)(d) of the Companies Act, 1956 with the only difference that under section 293(1)(d) of the Companies Act, 1956, approval of the shareholders was required to be obtained by ordinary resolution. Now, under section 180 of the Companies Act, 2013, approval of shareholders is required by special resolution.

In both the laws, borrowing by raising temporary loans was exempted from the aforesaid compliance.

As per general circular no. 4/2014 dated 25th March, 2014 the present resolution under Section 293 of the Companies Act, 1956 is valid for a period of 1 year from the commencement of the Companies Act, 2013 i.e upto 12th September, 2014.

Now, due to implementation of the Companies Act, 2013, the approval of the shareholders obtained by passing ordinary resolution shall stand invalid from 12th September, 2014 and hence, a fresh approval of the shareholders by passing special resolution needs to be obtained.

In the earlier General Meeting of the Company, ordinary resolution were passed by the members from time to time, under Section 293(1)(d) of the Companies Act, 1956 thereby authorizing the Board of Directors to borrow monies for the purpose of business of the Company for an amount, not exceeding Rs. 100 Crores (Rupees Hundred Crores only) in aggregate. The Company propose to renew the borrowing limits to Rs. 100 Crores in view of the new provisions of the Company's Act 2013 by passing special resolutions. This will enable the Board of Directors to borrow from time to time upto Rs. 100 crores.

It is necessary for the shareholders of the Company to grant their consent by passing a special resolution at their meeting under Section 180(1)(c) of the Companies Act, 2013 authorizing the Board of Directors of the Company to borrow monies in excess of the paid up capital and free reserves of the Company upto Rs. 100 crores.

The Board recommends the resolution in the best interest of the company.

All the Directors of the Company may be deemed to concerned or interested in the resolution to the extent of their shareholdings in the Company.

#### ITEM NO. 6 - Creation of Mortgage / Charge On Company's assets.

In the earlier General Meeting of the Company, an ordinary resolution was passed by the members from time to time, thereby authorizing the Board of Directors of the Company to create such mortgages and charges in addition to the existing mortgages and charges and hypothecations, created by the Company as the Board may direct on all immoveable properties and moveable properties of the Company, both present and future aggregating to Rs. 100 crores in favour of lending Financial Institutions / Corporate Body(s) / person(s) / Corporation(s) / Government / lender(s) / Bank(s) (together with interest) for monies borrowed or to be borrowed.

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In view of the provisions of Company's Act 2013 the Company propose to renew limits of Rs. 100 crores (Rupees One Hundred Crores only) as stated above. The resolution has accordingly been proposed for approval of the members pursuant to section 180 (1) (a) of the Companies Act, 2013.

The Board recommends the resolution in the best interest of the company.

All the Directors of the Company may be deemed to concerned or interested in the resolution to the extent of their shareholdings in the Company.

## **ITEM NO. 7 & 8 - Appointment of Mr. Chandan Gupta & Mr. Surendrakumar Suri as an Independent Director.**

Shri Chandan Gupta and Shri Surendrakumar Suri are Independent Directors of the Company and have held the positions as such for more than 5 (five) years. The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of independent directors by a listed company.

It is proposed to appoint Shri Chandan Gupta and Shri Surendrakumar Suri as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term up to the conclusion of the Annual General Meeting of the Company to be held in the calendar year 2019.

Shri Chandan Gupta and Shri Surendrakumar Suri are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from members alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Shri Chandan Gupta and Shri Surendrakumar Suri for the office of Directors of the Company.

The Company has also received declarations from Shri Chandan Gupta and Shri Surendrakumar Suri that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Shri Chandan Gupta and Shri Surendrakumar Suri fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Shri Chandan Gupta and Shri. Surendrakumar Suri are independent of the management.

Brief resume of Shri Chandan Gupta and Shri Surendrakumar Suri, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the notice of the Annual General Meeting and Corporate Governance Report forming part of the Annual Report.

Copy of the draft letters for respective appointments of Shri Chandan Gupta and Shri Surendrakumar Suri as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Shri Chandan Gupta and Shri Surendrakumar Suri are interested in the resolutions set out respectively at Item Nos. 7 and 8 of the Notice with regard to their respective appointments.

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The relatives of Shri Chandan Gupta and Shri Surendrakumar Suri may be deemed to be interested in the resolutions set out respectively at Item Nos. 7 and 8 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Special Resolutions set out at Item Nos. 7 and 8 of the Notice for approval by the shareholders.

**ITEM NO. 9 - Acceptance of deposits.**

The Company has accepted unsecured deposits from directors, shareholders, etc under the Companies Act, 1956. Pursuant to Section 73 of the Companies Act, 2013 a company accepting unsecured deposits from its members is required to pass special resolution at general meeting. Further, a Company is allowed to accept deposits from members upto 25% of its paid up share capital and free reserves. The resolution has accordingly been proposed for the approval of the members pursuant to Section 73 (2) of the Companies Act, 2013.

The Board recommends the resolution in the best interest of the company.

All the Directors of the Company may be deemed to concerned or interested in the resolution to the extent of their shareholdings in the Company.

**By order of the Board**

**Suresh N. Mutreja**  
**Chairman and Managing Director**

**Place: Mumbai**  
**Date: 30th May, 2014**

## DIRECTOR'S REPORT

Dear Shareholders,

The Board of Directors have pleasure in presenting the 30<sup>th</sup> Annual Report on the business operations of your Company together with Audited Financial Accounts for the year ended March 31, 2014.

### FINANCIAL RESULTS :

(Rs. in Lacs)

Particulars	Year ending 31.03.14	Year ending 31.03.13
<b>Revenue from operations (net)</b>	<b>10562.74</b>	9323.23
Operating Profit (PBIDT)	<b>634.53</b>	603.82
Finance Cost	<b>184.48</b>	207.38
Depreciation	<b>241.15</b>	247.49
Profit before Tax	<b>208.89</b>	148.95
Taxation	<b>53.44</b>	61.36
Profit after Tax	<b>155.45</b>	87.59
Balance of Profit brought forward	<b>972.68</b>	944.90
<b>Amount available for appropriations</b>	<b>1128.13</b>	<b>1032.49</b>
<b>Appropriations:</b>		
Transfer to General Reserve	<b>15.00</b>	15.00
Dividend on Equity Shares	<b>61.29</b>	38.30
Dividend Tax on Equity Shares	<b>10.00</b>	6.51
Balance carried forward to Balance Sheet	<b>1041.84</b>	972.68
Total	<b>1128.13</b>	<b>1032.49</b>
EPS (Basic & Diluted)	<b>2.03</b>	1.14

(Previous Year's figure have been recast, reclassified and regrouped wherever necessary to make them comparable with the figures of the Current Year.)

### BUSINESS OPERATIONS:

The Company continues to retain its leadership in the dyed yarns segment.

FY 2014-15 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 reasonably well and the highlights of the performance are as under:

- Revenue from operations increased by 13.94% to Rs 10562.74 lacs.
- Exports increased by 42.51% to Rs 675.86 lacs.
- PBDIT increased by 5.09% to Rs 634.53 lacs. This year company has reduce the power cost by 2.56% and staff cost has been increased by 16.02%
- Net Profit after tax increased by 77.48% to Rs 155.45 lacs mainly due to control in power cost and finance cost compare to turnover.

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**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Bombay Stock Exchange, is presented in a separate section forming part of the Annual Report.

**THRUST ON HIGHER VALUE ADDITION CONTINUES:**

Your Company shall always continue its endeavor in Value Addition and Innovation drive. Our R&D Department remains actively engaged in fulfilling this objective by constantly developing new shades and proving our strength in terms of versatility in dyeing and colour innovation.

**SEGMENT-WISE PERFORMANCE:**

Your Company's business activity falls within a single business segment viz. 'Yarns' The sales are substantially in the domestic market, and the said financial statements are reflective of the information required by Accounting Standard 17 "Segment Reporting", notified under the Companies (Accounting Standards) Rules, 2006.

**INSURANCE:**

All the insurable interest of your company including inventories, buildings, plant and machinery and other assets under legislative enactments are adequately insured

**ISO CERTIFICATION:**

Your Company has successfully completed its recertification audit for further period of 3 years for the ISO 9001-2008 Certification from AGSI Certification Pvt Ltd. There by meeting the global quality and international standards.

**UPGRADATION AND MODERNISATION:**

During the year your company has done a need based changes by installing new techno and power savy ancillary machines i.e. Fully Electronic and automatic rewinding machines and other necessary utilities and electrical installations were acquired to give the best quality products to the customer and company has also started constructing building and roof at Silli units for it's goal to consolidate the Texturising and Twisting activities under one roof to reduce power, manpower, administration cost and smooth functioning of business. The estimated capital cost is Rs. 95 Lacs. The company had already incurred Rs. 55 Lacs. This was financed from the internal accruals of the Company.

**FIXED DEPOSITS:**

The Company has accepted deposit from the Promoter, their relatives, friends and associates for expansion of Silli Unit.

**EXPORT:**

Your 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.

**APPROPRIATIONS:****DIVIDEND:**

The Board of Directors have recommended Dividend of 8% i.e. Rs.0.80 per Equity Share for

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the Financial Year ended March 31, 2014 (Previous Year Rs. 0.50 paise) amounting to Rs.61.29 Lacs (Previous Year Dividend of Rs. 38.30 Lacs).

The dividend tax liability borne by your Company is Rs. 10.00 Lacs (Previous Year Rs. 6.51 Lacs).

### **TRANSFER TO RESERVES:**

The Company has transferred Rs. 15.00 Lacs to General Reserve.

### **TAXATION:**

Provision for Taxation has been made in accordance with prevailing income-tax laws for the relevant Assessment year.

Provision is made for Deferred Tax to account for the timing differences.

### **TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information as prescribed under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure I and forms part of this Report.

### **PERSONNEL:**

There are no employees of your Company who comes within the purview of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 during the year under review.

### **DIRECTORS:**

In terms of the articles of association of the Company, Mr. Lalit Mutreja, Director, retires by rotation at the ensuing annual general meeting and being eligible, offers himself for re-appointment.

In terms of the articles of association of the Company, section 149 (10) of the Companies Act, 2013 and revised clause 49 of Listing Agreement dealing with Corporate Governance norms, Mr. Chandan Gupta and Mr. Surendrakumar Suri has completed 5 years term as Independent Directors as on 1st April, 2014. The Company proposes to re-appoint them, as Independent Directors for a further period of 5 years till 2019. The Company has received requisite notices in writing from members proposing Mr. Chandan Gupta and Mr. Surendrakumar Suri for appointment as Independent Directors.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both, under subsection 6 of section 149 of the Companies Act, 2013 and under clause 49 of the listing agreement with the stock exchanges.

### **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) in the preparation of the annual accounts for the financial year ended March 31, 2014, all the applicable accounting standards have been followed along with proper explanations relating to material departures.



- (ii) the Directors have selected such accounting policies and applied them consistently, and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profit of the Company for the said period;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Directors have prepared the accounts for the financial year ended March 31, 2014 on a 'going concern' basis.

**CORPORATE GOVERNANCE:**

Your Company has taken adequate steps to ensure that the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement of the Stock Exchange are complied with. A separate section on Corporate Governance forms part of the Annual Report. A certificate from the Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement is given in Annexure.

**TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:**

Pursuant to the provisions of section 205A (5) and section 205C of the Companies Act, 1956, relevant amounts which remained unpaid or unclaimed for a period of 7 years have been transferred by the Company from time to time on due dates to the Investor Education and Protection Fund.

**AUDITORS:**

M/s. Mehta Chokshi & Shah, Chartered Accountants, will retire as Auditors of the Company at the conclusion of the Annual General Meeting and are eligible for re-appointment. The company has received letter from them to the effect that their appointment, if made would be within the prescribed limit under section 224 (1B) of the Company's Act 1956. Audit Committee and Board has recommended their re-appointment.

**INDUSTRIAL RELATIONS:**

The relationship with employees, suppliers and customers across the Company are cordial.

**ACKNOWLEDGEMENT:**

Your Directors thank our customers, bankers and suppliers for their continued support during the year. Your Company places on record a deep sense of appreciation of the contribution made by the staff and workers at all levels. Our consistent growth was made possible by their hard work, solidarity, co-operation and support.

For and On behalf of the Board

Suresh N. Mutreja  
Chairman & Managing Director

Place: Mumbai  
Date: 30th May, 2014

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## ANNEXURE I TO THE DIRECTOR'S REPORT

Disclosure under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

### Form B

#### FORM A

##### (A) Power and Fuel Consumption:

1. Electricity		Current Year 31.03.2014	Previous Year 31.03.2013
(i) Purchased:			
Avg. Unit Rate (Rs./KWH)		5.02	4.50
Units (KWH/Lacs)		136.96	139.54
Total Amount (Rs. in Lacs)		687.35	627.54
(ii) Own Generation through D. G. Sets:			
Unit Rate (Rs./KWH)		19.01	16.03
Units (KWH/Lacs)		0.44	0.46
Total Amount (Rs. in Lacs)		8.41	7.38
2. Coal		Current Year 31.03.2014	Previous Year 31.03.2013
Qty. (M. Tons)		5464.18	4715.89
Total Cost (Rs. in Lacs)		304.92	287.46
Avg. Rate (Rs./MT)		5580.27	6095.48
3. Furnace Oil		Not Applicable	

##### (B) Consumption per Unit of Production:

	Current Year 31.03.2014	Previous Year 31.03.2013
Electricity (KWH per Tonne of Yarn)	3121.85	3211.81
Coal (MT per Tonne of Yarn)	1.27	1.17

#### (i) Development

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.

#### (ii) Technology Absorption, Adaptation & Innovation

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.

For and on behalf of the Board

Suresh N. Mutreja  
Managing Director

Place: Mumbai

Date: 30<sup>th</sup> May, 2014

# CORPORATE GOVERNANCE REPORT

(Under Clause 49 (VI) (i) of Listing Agreement)

## I. The Company's Philosophy on Code of Governance

The Company's philosophy on Corporate Governance is to strive for attaining the optimum level of transparency and accountability in all facts of its operations and all dealings with shareholders, employees, lenders, creditors, customers and the government. The Board of Directors by considering itself the trustee of its Shareholders aims at maximizing shareholders value and protecting the interest of other stakeholders

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.

## II. BOARD OF DIRECTORS

### (i) Composition and category of Director :

The strength of the Board was 4 Directors as on 31st March, 2014. The Composition and category of Directors on the Board of the Company are :

Name	Executive / Non-Executive	Promoter / Independent	Relationship With Other Directors
Mr. Suresh N. Mutreja	Chairman and Managing Director	Promoter	Brother of Mr. Lalit Mutreja
Mr. Lalit N. Mutreja	Executive Director	Promoter	Brother of Mr. Suresh Mutreja
Mr. Chandan Gupta	Non Executive	Independent	Not Related to any Director
Mr. Surendra Kumar Suri	Non Executive	Independent	Not Related to any Director

All the independent directors of the Company furnish a declaration at the time of their appointment as also annually that they qualify the conditions of their being independent. All such declarations are placed before the Board.

### ii) Number of Board Meetings held and attendance chart of each Director at the Board Meeting :

Date of Board Meetings	Mr. Suresh Mutreja	Mr. Lalit Mutreja	Mr. Chandan Gupta	Mr. Surendra Kumar Suri
30th May, 2013	Present	Present	Present	Present
13th August, 2013	Present	Present	Present	Present
13th November, 2013	Present	Present	Present	Present

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Date of Board Meetings	Mr. Suresh Mutreja	Mr. Lalit Mutreja	Mr. Chandan Gupta	Mr. Surendra Kumar Suri
13th February, 2014	Present	Present	Present	Present
Total Attendance (Out of 4 Meetings.) <b>Attendance – Last AGM</b>	4	4	4	4
<b>13<sup>th</sup> August, 2013</b>	<b>Present</b>	<b>Present</b>	<b>Present</b>	<b>Present</b>

- iii) a. Number of other Companies where Directors (of VIL) hold memberships on the Board of Directors: **NIL**
- b. Number and Name of Committees in which the Directors (of VIL) hold Memberships or Chairmanships:

Name of Director	No. of Other Companies where Director	Number & Name of Committee Memberships / Chairmanships			
		Chairman	No.	Membership	No.
Mr. Suresh Mutreja	Nil	SIGC - VIL **	1	Nil	0
Mr. Lalit Mutreja	Nil	Nil	0	AC - VIL * SIGC - VIL **	1
Mr. Chandan Gupta	Nil	AC - VIL *	1	Nil	0
Mr. Surendra Kumar Suri	Nil	Nil	0	AC - VIL * SIGC - VIL **	1

\* AC – VIL = Audit Committee – Valson Industries Limited.

\*\* SIGC – VIL = Shareholders/Investors Grievance Committee – Valson Industries Limited

Note : Only Public Limited Companies (Listed and Unlisted) have been taken into consideration while calculating the **Committee Membership and Chairmanships**.

### iv) Code of Conduct :

The Board has formulated a code of conduct for the Board Members and Senior Management Personnel of the Company. All Board Members and Senior Management Personnel have affirmed their compliance with the code for the financial year ended 31<sup>st</sup> March, 2014. A declaration to this effect signed by the Managing Director of the Company is given elsewhere in the Annual Report.

The Company has adopted new Code for Independent Director as prescribed under schedule IV pursuant to section 149 (8) of the Companies Act 2013 and revised Clause 49 (II) (E).

### III. AUDIT COMMITTEE

The Composition of the Audit Committee and their attendance at the Audit Committee Meetings are as follows :

Date of Committee Meeting	Mr. Chandan Gupta#	Mr. Surendra Kumar Suri \$	Mr. Lalit N. Mutreja*
30th May, 2013	Present	Present	Present
13th August, 2013	Present	Present	Present
13th November, 2013	Present	Present	Present
13th February, 2014	Present	Present	Present
Total (out of 4 meetings)	4	4	4

# Chairman & Non Executive Independent Director

\$ Non Executive Independent Director

\* Executive Whole Time Director

The Board of Directors of the Company has framed a Terms of Reference for the Audit Committee. The Terms of Reference is based on Clause 49 (II) (D) of the Listing Agreement. The Audit Committee performs its functions in accordance with the terms of reference. In addition, it exercises powers and reviews information as specified under Clause 49 (II) (C) and (E) of the Listing Agreement.

The present constitution of the audit committee is compliant with section 177(2) of the Companies Act, 2013. The Company at its Board meeting held on May 15, 2014 has adopted the terms of reference of Audit Committee as prescribed under section 177(4) of the Companies Act, 2013 and revised clause 49 (III) (C) and (D) of the listing agreement.

#### IV. REMUNERATION COMMITTEE

The Company has not constituted a separate committee to determine the terms of reference and remuneration package for its managerial personnel.

##### i) Remuneration Policy:

The Board of Directors determines the remuneration to be paid to Managing Director and other Directors of the Company. The same is within the limits approved by the Shareholders of the Company.

Mr. Suresh Mutreja, Managing Director and Mr. Lalit Mutreja, Executive Director were re-appointed for a term of 3 years w.e.f. 1st July, 2013. The re-appointment and remuneration payable to them was approved by the Board of Directors by board resolution dated 30th May, 2013. The same was approved by the share holders at 29th Annual General Meeting held on 13th August, 2013.

##### ii) Details of Remuneration paid to the Directors:

- A. The Company does not have any pecuniary relationship or transactions with the non-executive directors. During the year, the Company has paid sitting fees to non-executive directors.
- B. The aggregate value of remuneration, perquisites and sitting fees paid to the Directors for the year ended 31st March, 2014, is as under;

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Sr. No.	Name	Salary & Perqs Rs.	Meeting Fees Rs.	Total Rs.
1.	Mr. Suresh Mutreja	1756341	-	1756341
2.	Mr. Lalit Mutreja	1428958	-	1428958
3.	Mr. Chandan Gupta	-	25000	25000
4.	Mr. Surendra Kumar Suri	-	25000	25000

C. The Company has not issued any stock options or paid any performance linked incentives or fixed component incentives to the Directors.

D. Details of Service Contracts :

Name	Date of initial appointment	Current tenure	From	To
Shri Suresh N. Mutreja	26.06.1983	3 years	01.07.2013	30.06.2016
Shri Lalit N. Mutreja	09.09.1995	3 years	01.07.2013	30.06.2016

E. Equity shares of Valson Industries Limited held by the Non-Executive Directors as on 31st March, 2014 are as follows:

Directors	No. of shares held as on 31 <sup>st</sup> March, 2014	No. of shares held as on 31 <sup>st</sup> March, 2013
Mr. Chandan Gupta	Nil	Nil
Mr. Surendra Kumar Suri	400	400

### V. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

A. The Composition of the Shareholders / Investors Grievance Committee and attendance of the members of the Committee at the Shareholders/Investors Grievance Committee Meetings are as follows:

Date of Committee Meeting	Mr. Suresh Mutreja*	Mr. Lalit Mutreja#	Mr. Surendrakumar Suri\$
30th May, 2013	Present	Present	Present
13th August, 2013	Present	Present	Present
13th November, 2013	Present	Present	Present
13th February, 2014	Present	Present	Present
Total (out of 4 meetings)	4	4	4

\* Chairman & Managing Director      # Executive Whole - Time Director  
\$ non executive Independent Director

## B. COMPLIANCE OFFICER:

As required by the Listing Agreement, the Company has appointed Mr. Pritesh Shah as the Compliance Officer.

Email address of Compliance Officer is **pritesh@valsonindia.com**

A. Complaint Status for the year 01/04/2013 to 31/03/2014

Category	Complaint Received	Complaint Resolved	Complaint Pending
Non receipt. of credit of dividend	NIL	NIL	NIL
Non receipt of dividend warrant	6	6	0
Non receipt of interest warrant	NIL	NIL	NIL
Non receipt of annual reports	1	1	NIL
SEBI	NIL	NIL	NIL
Stock exchange	NIL	NIL	NIL
Non Receipt of share certificate	NIL	NIL	NIL
Non Receipt of share transfer	NIL	NIL	NIL
Others	NIL	NIL	NIL
Total	7	7	0

## VI. GENERAL BODY MEETINGS

Date time and venue for the last 3 Annual General Meetings and Extra Ordinary General Meeting held during the last 3 financial years are given below;

Financial Year Ending	Nature of Meeting	Nature of Special Resolution Passed	Date	Location	Time
31.03.2012	27th AGM	NIL	30.09.2011	Registered Office	11.30 a.m.
31.03.2013	28th AGM	NIL	30.09.2012	Registered Office	4.30 p.m.
31.03.2014	29th AGM	Note 1*	28.09.2013	Registered Office	11.30 a.m.

- \*Note 1
- Special Resolution for Re-appointment and payment of remuneration of Mr. Suresh Mutreja as Managing Director for a period of three years w.e.f 1st July, 2013.
  - Special Resolution for Re-appointment and payment of remuneration of Mr. Lalit Mutreja as Executive Director for a period of three years w.e.f 1st July, 2013.

Notes:

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

## VII. DISCLOSURES

- The Company has not entered into any materially significant related party transactions during the financial year that may have potential conflict with the interests of the Company at large.
- There has been no incidence of non-compliance by the Company of any statutory regulations nor any penalty or stricture has been imposed by the Stock Exchange or any

other statutory authority, on any matter relating to the capital market over the last three financial years.

- iii. The details of all transactions with related parties are placed before the Audit Committee on quarterly basis.
- iv. In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.
- v. The constitution of whistle blower policy is a non mandatory requirement. However the Company affirms that no employee has been denied access to the Audit Committee during the financial year 2013 - 2014.
- vi. The Company has complied with all mandatory requirements of clause 49 of Listing Agreement.

## VIII. WHISTLE BLOWER POLICY:

During the financial year 2014 - 15, in accordance with the revised clause 49 (II) (F) of listing agreement and pursuant to section 177 (9) read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 of the Companies Act, 2013, 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.

## IX. MEANS OF COMMUNICATION

### i. Quarterly Results:

The quarterly financial results of the company (in the format prescribed by the Listing Agreement) are reviewed by Audit Committee and then, approved and taken on record by the Board within the prescribed time frame and immediately send to the Stock Exchange where the shares of the company are listed. Limited Review is performed by the statutory auditors for all the quarters for the financial year. The annual financial results, post completion of audit are approved by the Board of Directors (after review by Audit Committee) and the same are then submitted to the Stock Exchange.

- ii. The quarterly results for the financial year 2013-14 were published in the News Papers. (Details given below):

Quarter Result	News Paper
June, 2013	Free Press Journal - English, Navshakti - Marathi
September, 2013	Free Press Journal - English, Navshakti - Marathi
December, 2013	Free Press Journal - English, Navshakti - Marathi
March, 2014	Free Press Journal - English, Navshakti - Marathi



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- iii. The quarterly and year to date financial result of the company has been displayed on company's website i.e www.valsonindia.com
  - iv. **Annual Report:**  
Annual Report containing inter alias Audited Annual Accounts, Directors' Report, Auditors' Report and other important, information is circulated to Members and others entitled thereto. The Managements Discussion and Analysis (MD&A) Report forms part of the Annual Report.
  - v. All the shareholders are requested to register their e-mail address with M/s. Link Intime India Private Limited for the purpose of service of documents under Section 53 of the Companies Act, 1956 by e-mode instead of under posting certificate (UPC) in view of Circular No. 17/95/2011 CL-V.

**X. GENERAL SHAREHOLDER INFORMATION**

The mandatory and various other additional information of interest to investors is furnished in a separate section titled as Investor Information published elsewhere in this Report.

**XI. Practising Company Secretary Certificate on Corporate Governance**

Practising Company Secretary's certificate on compliance of conditions of clause 49 of the Listing Agreement relating to Corporate Governance is published as an Annexure to the Corporate Governance Report.

**For and On Behalf of the Board**

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

**Place: Mumbai  
Date: 30th May, 2014**

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**Management Certificate on clause 49 (1D) of the Listing Agreement**

To,  
The Members,  
**Valson Industries Limited**

This is to affirm that the Board of Directors of **Valson Industries Limited** has adopted a Code of Conduct for its Directors and Senior Management Personnel in compliance with the provisions of Clause 49 (1) (D) of the Listing Agreement. The Board Members and Senior Management Personnel of the Company have confirmed compliance of the provisions of the said code for the financial year ended 31<sup>st</sup> March, 2014.

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

**Place: Mumbai  
Date: 30th May, 2014**

## INVESTOR INFORMATION

<b>AGM Date, Time &amp; Venue:</b>	<b>Date:</b> 13 <sup>th</sup> September, 2014 <b>Time:</b> 11.30 a.m. <b>Venue:</b> 28, Bldg. No. 6, Mittal Industrial Estate, Sir M. V. Road, Andheri (East), Mumbai 400 059.
<b>Financial Year:</b>	1 <sup>st</sup> April 2013 to to 31 <sup>st</sup> March 2014
<b>Book Closure Date:</b>	6th September, 2014 to 13th September, 2014
<b>Dividend Payment Rate:</b>	Rs. 0.80/-
<b>Listing on Stock Exchanges:</b> <b>Stock Code &amp; Demat Scrip Code (ISIN)</b>	The Bombay Stock Exchange Limited Bombay Stock Exchange: Stock Code: 530459 Demat Scrip Code: INE 808A01018
<b>Registrar &amp; Transfer Agents</b>	Link Intime India Pvt. Ltd. C-13 Pannalal Silk Mills Compound, L B S Marg, Bhandup (West), Mumbai 400 078, <b>Telephone:</b> (022) 25963838 <b>Fax:</b> (022) 25946969 <b>Email:</b> <a href="mailto:rtn.helpdesk@linkintime.co.in">rtn.helpdesk@linkintime.co.in</a>
Plant Location: <b>TEXTURISING AND TWISTING</b>           <b>YARN DYEING</b>	<p><b>SILVASSA - UNIT NO. 1:</b>          Plot No. 8/9, Silvassa Ind. Co-op. Society,          66 KVA Sub-Station Road, Village AmlI,          Dist. Silvassa,          U.T. – Dadra and Nagar Haveli 396 230.</p> <p><b>SILVASSA - UNIT NO. 2:</b>          Plot No. 113/2/10, Tirupati Industrial Estate,          Near 66 KVA Sub-Station Road, Village AmlI,          Dist. Silvassa,          U.T. – Dadra and Nagar Haveli 396 230.</p> <p><b>DADRA UNIT:</b>          Plot No. 7, Survey No. 207 Near Dadra Check          Post, Dadra,          U.T. - Dadra and Nagar Haveli 396230.</p> <p><b>SILLI UNIT:</b>          Survey No. 122/1, Village Silli,          UT-Dadra &amp; Nagar Haveli 396230.</p> <p><b>VAPI UNIT:</b>          Plot No. 1204 &amp; 1705, GIDC, Phase III,          Vapi, Gujarat 396 195.</p>

Registered Office & Correspondence Address	<b>M/s. Valson Industries Limited.</b> Mr. Pritesh Shah Compliance Officer  <b>Address for Correspondence</b> 28, Bldg. No. 6, Mittal Industrial Estate Sir M. V. Road, Andheri (East), Mumbai 400 059 Telephone: (022) 40661000 Facsimile: (022) 40661199 Email: <a href="mailto:pritesh@valsonindia.com">pritesh@valsonindia.com</a>
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Shareholders / investors are requested to forward share transfer documents, dematerialization request, correspondence regarding change of address, non - receipt of dividend or share certificates and other related queries to the company's registrar i.e. Link Intime India Pvt. Ltd. at the address mentioned above.

### Share Transfer System and Dematerialization of Shares:

Valson has admitted its shares to the depository system of the National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialization of shares. International Securities Identification Number (ISIN) INE808A01018.

As on March 31, 2014, 98.07% of the shares of the Company are dematerialized. All this shares are electronically transferred through the demat facility. 1.93% of shares are in physical mode. The Company has assigned the job of physical transfer of shares to its Registrar and Share Transfer Agent, M/s. Link Intime India Pvt. Ltd. The Shareholders and Investors Grievances Committee takes on record all the physical share transfers from time to time.

Transfers Lodged & Transferred	No. of Transfer Deeds Processed	No. of Shares Transferred
1 – 30 days	1	200
30 – 60 days	-	-
Above 60 days	-	-
<b>Total</b>	1	200

### Distribution of Shareholding as on March 31, 2014

Range (Rs. in lacs)	Number of Shareholders	Percentage of Total Holders	Total Share Holding (in Rs.)	Percentage to Capital
1 - 5000	1592	64.6366	345815	4.5141
5001 - 10000	396	16.078	331433	4.3263
10001 - 20000	229	9.2976	352515	4.6015
20001 - 30000	75	3.0451	196323	2.5627
30001 - 40000	50	2.03	180065	2.3505
40001 - 50000	18	0.7308	83270	1.087
50001 - 100000	57	2.3143	394110	5.1445
100001 & Above	46	1.8676	5777269	75.4134
<b>Total</b>	2463	100.0000	7660800	100.0000

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## 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.

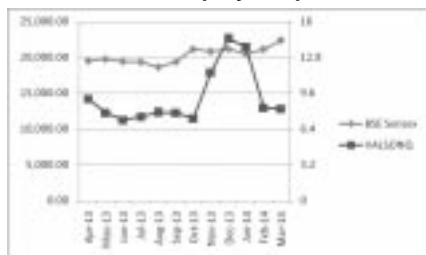
## Consolidation of Folios:

Shareholders are requested to INVARIABLY mention their existing folio number in the column provided in the transfer deed in case they lodge further shares for transfer in the same order of names. Shareholders are also requested to send the share certificates by registered post to the transfer agents of the Company in case they have been allotted more than one folio, in the same order of names. The shares will be consolidated into one folio and the share certificates will be returned by registered post within a week of receipt.

## Nomination Facility:

Individual shareholders of physical shares can nominate any person for the shares held by them. This will save the nominee from going through the lengthy process of getting the shares later on transmitted to his name. For further details, shareholders may write to the Registrar and Share Transfer Agent of the Company.

## Performance of equity scrip of the company in comparison to BSE Sensex:



## Market Price Data :

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 13	8.10	9.10	7.58	9.10	5,236	73	43,892	1.52	1
May 13	8.99	9.13	7.30	7.85	21,733	65	1,77,107	1.83	-1.14
Jun 13	8.00	8.75	7.00	7.20	26,002	77	1,93,723	1.75	-0.8
Jul 13	6.91	8.16	6.91	7.50	14,586	47	1,09,852	1.25	0.59
Aug 13	7.13	7.99	6.35	7.87	7,169	40	52,236	1.64	0.74
Sep 13	8.26	8.67	7.84	7.84	1,820	8	15,115	0.83	-0.42
Oct 13	7.50	7.84	6.67	7.35	7,078	23	51,775	1.17	-0.15
Nov 13	7.06	11.45	7.04	11.45	10,741	56	83,571	4.41	4.39
Dec 13	11.8	14.48	11.8	14.48	411	14	5,328	2.68	2.68
Jan 14	15.10	15.10	13.75	13.75	53	4	730	1.35	-1.35
Feb 14	13.07	13.07	8.28	8.29	9,243	93	82,662	4.79	-4.78
Mar 14	7.88	8.36	7.22	8.19	43,146	403	3,34,256	1.14	0.31

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

**Shareholding Pattern as on 31<sup>st</sup> March, 2014:**

	Category	No of Shares Held	% Of Share Holding
<b>A.</b>	<b>Promoter (S) Holding</b>		
	Promoter (s)		
	- Indian Promoters	37,56,200	49.03
	- Foreign Promoters	0	0.00
	<b>Sub - Total (A)</b>	<b>37,56,200</b>	<b>49.03</b>
<b>B.</b>	<b>Non-Promoters Holding</b>		
	<b>Institutional Investors</b>		
i.	Mutual Funds & UTI	0	0.00
ii.	Banks, Financial Inst, Insurance Company, Central / State Govt Inst / Non-Govt Inst FII's	0 0	0.00 0.00
	<b>Others</b>		
i.	Private Corporate Bodies	1,26,484	1.65
ii.	Indian Public	33,01,360	43.09
iii.	NRI/OCBS	1,16,978	1.53
iv	Clearing Members	15,248	0.20
v	Market Maker	362	0.00
vi	Hindu Undivided Family (HUF)	3,44,168	4.49
	<b>Sub - Total (B)</b>	<b>39,04,600</b>	<b>50.97</b>
	<b>GRAND TOTAL</b>	<b>76,60,800</b>	<b>100.00</b>

**For and On behalf of the Board**

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

**Place: Mumbai**  
**Date: 30th May, 2014**

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

We have examined the compliance of conditions of corporate governance by **Valson Industries Limited** for the financial year ended 31st March 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement and that no investor grievance(s) is / are pending for a period exceeding one month against the Company.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or the effectiveness with which the management has conducted the affairs of the Company.

**For P. P. SHAH & CO.**

**(PRADIP C. SHAH)  
Practising Company Secretary  
Partner  
Membership: 1483  
Certificate of Practice: 436**

**Place: Mumbai  
Date: 30th May, 2014**

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## MANAGEMENT DISCUSSION AND ANALYSIS

### Overview of the Economy:

Global GDP growth may firm up to 3.2 per cent this year from 2.4 per cent in 2013, stabilising at 3.4 per cent and 3.5 per cent in 2015 and 2016, respectively. According to the its Global Economic Prospects (GEP) report, the global economy is projected to strengthen this year, with growth picking up in developing countries and high-income economies appearing to be finally turning the corner five years after the global financial crisis.

"The performance of advanced economies is gaining momentum and this should support stronger growth in developing countries in the months ahead. Still, to accelerate poverty reduction, developing nations will need to adopt structural reforms that promote job creation, strengthen financial systems and shore up social safety nets," he said.

"The global economy in 2014 appears to be in a better shape than what it was in 2012 and 2013. India Ratings forecasts India's GDP to grow at 5.6 % in 2014-15," the rating agency said. "The economic growth in FY15 is likely to be contributed majorly by the industrial sector, which is estimated to grow by 4.1 %. This is good news for centre as well state government finances," it added.

The growth forecast is also supported by improved global outlook. Standard and Poor's expects US GDP growth to rise to 2.8% in 2014, up from 1.7% in 2013, while the Eurozone economy is forecast to expand by 0.9% after two years of recession. However, there is no saying yet whether we have seen the beginning of a decisive, sustainable recovery. On the downside, we feel growth could remain below 5% yet again should risks manifest, it said.

Next fiscal could be a year of new leadership and old challenges. The outcome of general elections in May could swing the medium term growth outlook either way. Political uncertainty is, therefore, a huge weight on the economy at this juncture. Policy reforms could gain further momentum after elections if there is a decisive mandate. Even with a fragile political outcome, we believe that the reforms that are already underway are unlikely to be reversed and will begin to bear fruit in 2014

The World Bank has projected India's economy will grow over 6 per cent in 2014-15 and 7.1 per cent by 2016-17 as global demand recovers and domestic investment increases. The economy of India is the tenth-largest in the world by nominal GDP and the third-largest by purchasing power parity (PPP). The country is one of the G-20 major economies and a member of BRICS. India is the 19th-largest exporter and the 10th-largest importer in the world. The economy slowed to around 5.0% for the 2012-13 fiscal year compared with 6.2% in the previous fiscal. According to Moody's, the Economic Growth Rate of India would be 5.5% in 2014-15. On 28 August 2013 the Indian rupee hit an all time low of 68.80 against the US dollar. In order to control the fall in rupee, the government introduced capital controls on outward investment by both corporate and individuals.

### Industry Structure and Developments:

Textile manufacturing is the 2nd largest source of employment after agriculture and contributes about 14 per cent to industrial production; 4 per cent to the country's gross domestic product (GDP); 17 per cent to export earnings, providing direct employment to over 35 million people.

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India's textile industry is one of the leading textile industries in the world, exporting to over 100 countries. It contributes a significant 17 percent to India's overall export earnings and employs over 35 million people directly, making it the second largest source of employment after agriculture.

At the inauguration of Tex-Trends India 2014, Mr. KS Rao, India's Union Textiles Minister, announced that the government has set the target for textile exports in the 2014-15 financial year at US\$60 billion. In 2014-15 the textiles exports target will be US\$60 billion, having seen the potential and concentrating on skill development in the country, focus on textile sector by the government and also the necessity of the advanced nations to depend entirely on Asia, especially China and India.

According to figures released by the RBI, textile exports reached nearly US\$14.9 billion in the first half of the current financial year 2013-2014. Ready-made garment exports accounted for almost half of that figure, at US\$7.1 billion. Apparel exports experienced sustained growth of 15 percent over the last nine months from April to December 2013. Cumulative export data for the same period reveal an increase of 16.3 percent over the same period in the previous financial year, reaching US\$10.56 billion.

We also expect some rebound in services growth in 2014-15 led by higher exports as well as a positive ruboff from higher industrial growth. Finally, we assume a normal monsoon year, which will cushion growth and help in taming inflation, CRISIL said

### **Outlook:**

The outlook India's medium-term growth is positive due to a young population and corresponding low dependency ratio, healthy savings and investment rates, and increasing integration into the global economy. India has many long-term challenges that it has not yet fully addressed, including poverty, inadequate physical and social infrastructure, limited non-agricultural employment opportunities, inadequate availability of quality basic and higher education, and accommodating rural-to-urban migration.

The upcoming report "**GLOBAL POLYESTER VALUE CHAIN MARKET ANALYSIS & FORECAST, 2014-2020**" unravels the trends in global production, demand and supply of Polyester fibre and filament industry besides the export-import trends. It further unfolds the main drivers of growth which shapes the polyester chain futures and their prices.

The Global Polyester Report besides providing the initial concepts and data sources delves into the major trends in the world's total supply and demand of raw materials used in the production of polyester such as Ethylene, Mono Ethylene Glycol (MEG), Purified Terephthalic Acid (PTA), Di-methyl Terephthalate (DMT) and Para-xylene (PX). The total supply components such as production and imports have been analyzed through their trends and shares besides the end use trends of consumption and exports. The report further delineates the trends in the production and trade of Polyester staple and filament chains.

The filament trade is further discussed in their use type i.e. textile fabrics and industrial textiles. Then it goes to forecast the total supply, demand and its major components of the productions, imports; and their prices.

A Global Polyester Report must for company's decision making

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

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### **Risks and concerns:**

There are some areas of concerns also, 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 where the strengths of one segment of the textile industry is being undermined for 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, Automative and ready-made garments industries etc.

Quality Products and Services has been our top most priority and after continuous research and efforts, we have ventured into the dyeing of various qualities of yarns. We have more than 55000 shades in our data bank. Our products quality has been world wide accepted as a result company's export growth rate is 42.51% compare to last year.

We are getting incentives like duty draw back for export of our goods and also are covered our products are under Focus Scheme as declared by Ministry of Commerce as an additional incentives 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 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.

"Growth appears to be strengthening in both high-income and developing countries, but downside risks continue to threaten the global economic recovery," said World Bank Group President Jim Yong Kim.

### **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.

"If the rupee keeps appreciating and the yuan keeps depreciating, it will have a bad impact on yarn export. Indian exporters might start to feel the heat," said S P Oswal, chairman and managing director of Vardhaman Group.

## **Segment-wise performance:**

The Company falls within a single business segment viz. 'Yarns' The sales are substantially in the domestic market, and the said financial statements are reflective of the information required by Accounting Standard 17 "Segment Reporting", notified under the Companies (Accounting Standards) Rules, 2006.

## **Human Resources:**

Valson recognizes that nurturing and developing best 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 who have been nurtured and strengthen 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 at highest priority and all the efforts are made to ensure safe working environment for employees. All probable incidents are analyzed and corrective actions are taken accordingly. 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 front:**

The Company has always considered the human resources as the driving force for progress and success and they are the main assets of the Company. Management is of 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 continues to have an adequate Internal Control System commensurate with the

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nature of its business and the size of its operations. Internal Control weaknesses are reported regularly and timely steps are taken as and when required.

Internal Auditor carries out the audit work regularly throughout the year and periodically places the internal audit report before the Audit Committee and the Management. The Audit Committee discusses significant findings with the internal auditors and timely solution is suggested for the same. Suggested steps are implemented to improve the internal control system, to ensure that all the assets are safeguarded and protected from unauthorised use and that the transactions are authorised, recorded and reported correctly.

**Discussion on financial performance with respect to operational performance:**

During the year, your Company has performed substantially well purely due to utilization of it's rich experience and concentration on optimum utilisation of capacity along with the better conversion and also monitoring; controlling and restricting the manufacturing expenses. FY 2013-14 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 reasonably well and the highlights of the performance are as under:

The Company continues to retain its leadership in the dyed yarns segment.

- Revenue from operations increased by 13.94% to Rs 10562.74 lacs.
- Exports increased by 42.51% to Rs 675.86 lacs.
- PBDIT increased by 5.09% to Rs 634.53 lacs. This year company has reduce it's power cost by 2.56% and staff cost has been increased by 16.02%
- Net Profit after tax increased by 77.48% to Rs 155.45 lacs mainly due to control on finance cost and depreciation cost.

**For and On behalf of the Board  
Valson Industries Limited**

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

**Place: Mumbai  
Date: 30th May, 2014**

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## INDEPENDENT AUDITOR'S REPORT

### To the Members of VALSON INDUSTRIES LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of VALSON INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

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

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## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs);
  - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For MEHTA CHOKSHI & SHAH  
CHARTERED ACCOUNTANTS**

**A. R. MEHTA  
PARTNER**

**MEMBERSHIP NO. 46088**

**Firm Registration No : 106201W**

**Place: Mumbai  
Date: 30th May 2014**

## Annexure to the 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, 2014)

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

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) All the assets have not been physically verified by the Management during the year but there is a regular programme of verification which, in our opinion, 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 Company has not disposed off substantial part of fixed assets.
2. (a) The inventory has been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.  
(b) The procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. (a) According to the information and explanation given to us the Company has not granted any loans to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.  
(b) As the Company has not granted any loans secured or unsecured the rate of interest and other terms and conditions of loans given being prima facie prejudicial to the interest of the Company does not arise.  
(c) As the Company has not granted any loans secured or unsecured the regularity of receipt of principal and interest does not arise.  
(d) According to the information and explanation given to us the Company has taken fixed deposits from a Director and fourteen of their relatives covered in the Register maintained under Section 301 of the Companies Act, 1956 amounting to Rs. 75.00 Lacs. The maximum amount outstanding from the said parties is Rs. 257.50 Lacs.  
(e) The rate of interest and other terms & conditions of fixed deposits taken are prima facie not prejudicial to the interest of the company.  
(f) The Company is regular in payment of interest and the principal repayment was not due during the year.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

5. (a) On the basis of an examination of the books of accounts, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has accepted deposits from the public as defined under Sections 58A and 58AA and have complied with the directives of the Reserve Bank of India and the provisions of Sections 58A and 58AA and other relevant provisions of the Companies Act, 1956 and the rules framed there under.
7. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, 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.
9. (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2014 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, the disputed statutory dues aggregating to Rs. 1,137.384 lacs that have not been deposited on account of matters pending before appropriate authorities are as under:

Sr. No.	Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to which amount relates	Amount (Rs. Lacs)
1.	Textiles Committee Act	Textiles Cess	Textiles Committee	2001-02 to 2005-06	2.39
2.	Gujarat Vat Authorities	Entry Tax	Dy. Commissioner of Commercial Tax Appeal, Division 05	Financial Year 2008-2009	509.65
3.	Gujarat Vat Authorities	Entry Tax	Dy. Commissioner of Commercial Tax Appeal, Division 05	Financial Year 2009-2010	625.34

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10. The Company does not have accumulated losses at the year end and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. In our opinion and according to the records of the Company, it has not defaulted in repayment of dues to the bank and has nothing due to financial institution or debenture holders.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/ society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In our opinion the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. According to the information and explanations given to us the Company has not given guarantees for loans taken by others from banks or financial institutions.
16. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
17. On the basis of review of utilization of funds on overall basis, related information as made available to us, and as represented to us by the Management, funds raised on short term basis have not been used for long term investment during the year.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures.
20. The Company has not raised monies by public issue during the year.
21. During the course of an examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company or have we been informed of such case by the Management.

**For MEHTA CHOKSHI & SHAH  
CHARTERED ACCOUNTANTS**

**A. R. MEHTA  
PARTNER**

**MEMBERSHIP NO. 46088**

**Firm Registration No : 106201W**

**Place: Mumbai  
Date: 30th May 2014**





## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2014

	NOTE NO.	AS AT 31.03.2014 Rs. in Lacs	AS AT 31.03.2013 Rs. in Lacs
<b>A) EQUITY AND LIABILITIES</b>			
<b>1) Shareholders' funds</b>			
(a) Share capital	3	766.08	766.08
(b) Reserves and surplus	4	1,533.85	1,449.68
		<u>2,299.93</u>	<u>2,215.76</u>
<b>2) Non-current liabilities</b>			
(a) Long-term borrowings	5	659.72	1,033.36
(b) Long-term provisions- (Gratuity)		33.02	19.74
(c) Deferred tax liabilities (net)	6	389.43	401.99
		<u>1,082.17</u>	<u>1,455.08</u>
<b>3) Current liabilities</b>			
(a) Short-term borrowings	7	499.98	495.66
(b) Trade payables	8	573.55	526.30
(c) Other current liabilities	9	380.72	385.80
(d) Short-term provisions	10	82.35	45.44
		<u>1,536.60</u>	<u>1,453.20</u>
		<u>4918.70</u>	<u>5,124.05</u>
<b>B) ASSETS</b>			
<b>1) Non-current assets</b>			
(a) Fixed assets	11		
(i) Tangible assets		2,992.06	3,144.38
(ii) Intangible assets		17.80	20.93
(iii) Capital work-in-progress - Tangible		46.72	13.22
		<u>3,056.58</u>	<u>3,178.54</u>
(b) Non Current Investments		-	1.27
NIL (451) Equity Shares of Reliance Power Ltd - (Rs.10/- Face Value) [(Market Value Rs. Nil (P.Y. 0.27 Lacs)]			
(c) Long-term loans and advances	12	86.51	101.49
		<u>3,143.09</u>	<u>3,281.30</u>
<b>2) Current assets</b>			
(a) Inventories	13	578.94	652.31
(b) Trade receivables	14	901.57	891.12
(c) Cash and Bank balances	15	92.13	103.58
(d) Short-term loans and advances	16	35.74	53.26
(e) Other Current assets	16	167.23	142.48
		<u>1,775.61</u>	<u>1,842.75</u>
		<u>4,918.70</u>	<u>5,124.05</u>

Accompanying notes 1 to 25 are forming part of the financial statements.

As per our attached report of even date  
For Mehta Chokshi & Shah  
Chartered Accountants  
Firm Registration No. 106201W

For and on behalf of the Board

ABHAY R. MEHTA  
Partner  
Membership No. 46088  
Place : Mumbai  
Date : 30<sup>th</sup> May, 2014

Suresh N. Mutreja  
Chairman and  
Managing Director

Lalit N. Mutreja  
Executive Director

Kunal S. Mutreja  
Chief Executive Officer

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## Statement of Profit and Loss for the year ended 31<sup>ST</sup> March, 2014

	NOTE NO.	FOR THE YEAR ENDED 31.03.2014 Rs. in Lacs	FOR THE YEAR ENDED 31.03.2013 Rs. in Lacs
<b>1 Revenue from operations</b>	17	<b>10,628.76</b>	9,335.71
Less: Excise duty		<b>66.02</b>	64.87
Revenue from operations (net)		<b>10,562.74</b>	9,270.84
<b>2 Other Income</b>	18	<b>111.90</b>	90.95
<b>3 Total Revenue</b>		<b>10,674.64</b>	9361.78
<b>4 Expenses</b>			
(a) Cost of materials consumed	19	<b>6,747.23</b>	5,818.73
(b) Changes in inventories of finished goods	20	<b>11.44</b>	47.18
(c) Employee benefits expense	21	<b>845.79</b>	729.00
(d) Finance costs	22	<b>184.48</b>	207.38
(e) Depreciation and Amortisation expense	11	<b>241.15</b>	247.49
(f) Other expenses	23	<b>2,435.66</b>	2,163.05
<b>Total Expenses</b>		<b>10,465.75</b>	9,212.84
<b>5 Profit before tax</b>		<b>208.89</b>	148.95
<b>6 Tax expense:</b>			
(a) Current tax expense		(66.00)	(29.80)
(c) Current tax expense relating to prior years		-	-
(d) Net current tax expense		(66.00)	(29.80)
(b) Deferred tax (Liability)/Assets		12.56	(31.56)
		<b>(53.44)</b>	<b>(61.36)</b>
<b>7 Profit for the year</b>		<b>155.45</b>	87.59
<b>8 Earnings per share (of Rs.10/- each):</b>			
Basic & Diluted - EPS		<b>2.03</b>	1.14

Accompanying notes 1 to 25 are forming part of the financial statements

As per our attached report of even date  
For Mehta Chokshi & Shah  
Chartered Accountants  
Firm Registration No. 106201W

For and on behalf of the Board

**ABHAY R. MEHTA**  
Partner  
Membership No. 46088  
Place : Mumbai  
Date : 30<sup>th</sup> May, 2014

Suresh N. Mutreja  
Chairman and  
Managing Director

Lalit N. Mutreja  
Executive Director

Kunal S. Mutreja  
Chief Executive Officer

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2014

Particulars	For the year ended 31 March, 2014 (Rs. in Lacs)	For the year ended 31 March, 2013 (Rs. in Lacs)
<b>A. Net Cash flow from operating activities :</b>		
Net profit before tax	208.89	148.95
<i>Adjustments for:</i>		
Depreciation and amortisation	241.15	247.49
Loss / (Profit) on sale of assets	8.83	(0.40)
Finance costs (net of Interest income)	162.95	178.41
	412.93	425.50
<b>Operating Profit before working capital changes</b>	<b>621.82</b>	<b>574.45</b>
<b>Changes in working capital:</b>		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Inventories	73.38	(51.41)
Trade receivables	(10.45)	(117.75)
Other Current Assets	(24.76)	(22.51)
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade payables	47.25	(46.24)
Short-term provisions	0.37	0.63
Long-term provisions	13.28	(0.87)
Other current liabilities	(5.09)	122.10
	93.99	(116.06)
Cash generated from operations	715.81	458.39
Less :- Direct Tax Paid (Net of Refund)	55.93	29.80
<b>Net cash flow from Operating Activities (A)</b>	<b>659.88</b>	<b>428.59</b>
<b>B. Net Cash flow from Investing Activities</b>		
Capital expenditure on fixed assets, including capital advances	(148.53)	(277.91)
Proceeds from sale of fixed assets	21.78	18.67
Long-term loans and advances	14.99	25.51
Short-term loans and advances	17.52	22.30
Investments in Fixed deposits	(6.02)	(2.80)
Interest Income	21.53	28.97
<b>Net cash flow from Investing Activities (B)</b>	<b>(78.73)</b>	<b>(185.26)</b>
<b>C. Net Cash flow from Financing Activities :</b>		
Net Increase / (decrease) of long-term borrowings	(373.64)	(99.02)
Net increase / (decrease) in short term borrowings	4.32	90.07
Finance cost	(184.48)	(207.38)
Dividends paid	(38.30)	-
Tax on dividend	(6.51)	-
<b>Net cash flow from Financing Activities (C)</b>	<b>(598.61)</b>	<b>(216.34)</b>
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	(17.46)	26.98
Cash and Cash Equivalents at the beginning of the year	98.91	71.93
<b>Cash and Cash Equivalents at the end of the year</b>	<b>81.45</b>	<b>98.91</b>
<u>Reconciliation of Cash and Cash Equivalents with the Balance Sheet:</u>		
Cash on hand	4.28	11.72
Balances with Banks	56.56	66.58
<b>Cash and Cash Equivalents at the end of the year</b>	<b>60.84</b>	<b>78.30</b>

**As per our attached report of even date**

For and on behalf of the Board

**For Mehta Chokshi & Shah**

**Chartered Accountants**

**Firm Registration No. 106201W**

Suresh N. Mutreja

Lalit N. Mutreja

Chairman and  
Managing Director

Executive Director

**ABHAY R. MEHTA**

**Partner**

**Membership No. 46088**

**Place : Mumbai**

**Date : 30<sup>th</sup> May, 2014**

Kunal S. Mutreja  
Chief Executive Officer

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## Notes forming part of the financial statements for the year ended 31st March 2014

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### Note 1 Corporate information

Valson Industries Limited was incorporated on 2nd June, 1983 with Registrar of Companies, Maharashtra State. It's processing manufacturing Units are located at Vapi in Gujarat and Silvassa in UT. Dadra Nagar & Haveli. It is engaged in Texturising, Twisting of Polyester yarns and Dyeing of Polyester, Cotton and other fancy Yarns.

### Note 2 Significant accounting policies:

#### 2.1 **BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**

The financial statements have been prepared under the historical cost convention on accrual basis, in accordance with the generally accepted accounting principles and materially comply with the Accounting Standards notified by the Companies(Accounting Standards) Rules, 2006.

#### 2.2 **USE OF ESTIMATES:**

The presentation of financial statements is in conformity with the generally accepted accounting principles and requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The difference between the actual results and estimates are recognised in the period in which results are known/materialised.

#### 2.3 **REVENUE RECOGNITION:**

Sales includes sale of waste yarn and excise duty but exclude discounts. Sales are accounted on despatch of goods to customers.

#### 2.4 **FIXED ASSETS:**

##### **Tangible Assets:**

The tangible assets are stated at their original cost less accumulated depreciation and impairment loss, if any. In the case of tangible assets acquired for New project, interest cost on borrowings and other related expenses incurred up to the date of completion of project or commencement of commercial production are capitalised.

Projects under which assets are not ready for their intended use are shown as Capital Work-in-Progress.

##### **Intangible Assets**

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

#### 2.5 **IMPAIRMENT OF ASSETS:**

The carrying amount of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an assets 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.

#### 2.6 **INVESTMENT:**

Long Term Investments are stated at cost in accordance with the Accounting Standard on "Accounting for Investments (AS – 13)" notified by the Companies (Accounting Standards) Rules 2006.

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**Notes forming part of the financial statements for the year ended 31st March 2014**

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**2.7 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.

**2.8 DEPRECIATION, AMORTISATION****Tangible Assets:**

Depreciation is provided on a Straight Line Method at the rates prescribed in Schedule XIV of the Companies Act, 1956 on pro-rata basis with reference to the month of addition in respect of assets except for Texturising machines on which depreciation has been provided as per the useful life of the machines as estimated by the management which is higher than the rate prescribed in Schedule XIV of the Companies Act, 1956.

**Intangible Assets:**

Computer Software is amortised over a period of 5 years.

**2.9 BORROWING COST:**

Borrowing costs consists of interest and other costs that the company incurs in connection with the borrowing of funds.

Financing Cost relating to borrowed funds attributable to constructions and acquisition of fixed assets for the period upto the completion of construction or acquisition of fixed assets are included in the cost of the assets to which they relate.

**2.10 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 expenses 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**

The company's liability for gratuity is determined using the Projected Unit Credit Method with actuarial valuation carried out as at the balance sheet date. Actuarial gains and losses are recognised immediately in the statement of profit and loss.

The employees of the company are entitled to be compensated absences and leave encashment as per the policy of the company, the liability in respect of which is provided on an accrual basis.

**2.11 TAXES ON INCOME:**

Provision for taxation has been made in accordance with the applicable Income Tax laws prevailing for the relevant assessment year.

Deferred Tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income\ that originate in one period and are capable of reversal in one or more subsequent periods.

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## Notes forming part of the financial statements for the year ended 31st March 2014

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### 2.12 **EXCISE DUTY:**

The Company is following the method of accounting according to which the excise duty is generally booked as a liability at the time of removal of manufactured goods i.e. Texturised Yarn, Twisted & Dyed Yarn and paid accordingly.

The Company has opted for optional excise duty of either to take cenvat credit on input and payment of excise duty on removal of goods and accordingly provision for excise duty on closing stock as on 31st March, 2014 of Rs. Nil (Previous year Rs. 0.46 Lacs) has been made for the same.

### 2.13 **CENVAT:**

Cenvat Credit on excise duty paid on inputs and capital assets is accounted for by reducing from the purchase cost of the related inputs or the capital assets, as the case may be as per the option granted under the Excise Act.

### 2.14 **TRANSACTIONS IN FOREIGN CURRENCY:**

Revenue transactions made in foreign currency are translated at the applicable prevailing exchange rate. Payments / Receipts made in foreign currency are translated at the applicable rate prevailing on the date of remittance. Any exchange gain / loss arising on settlement of such transactions are accounted for in the statement of profit and loss. Outstanding balance is translated at the exchange rate prevailing at the closing date. Any exchange gain or loss arising out of such restatement is accounted for in the statement of profit and loss.

Premiums or discounts arising at the inception of the forward foreign exchange contracts, other than contracts to hedge a firm commitment or a highly probable forecast transaction, are amortised and recognised in the Statement of Profit and Loss over the period of the contract. Such forward foreign exchange contract outstanding as at the Balance Sheet date are converted at the exchange rates prevailing on that date. Exchange differences are recognised in the Statement of Profit and Loss.

### 2.15 **PROVISIONS, CONTINGENT LIABILITY AND CONTINGENT ASSET:**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

### 2.16 **GOVERNMENT GRANTS, SUBSIDIES:**

Government grants in the nature of TUF's Interest subsidy on the Rupee Term Loan availed from the Banks under the Technology Upgradation Fund Scheme @5% on the balance outstanding, is reduced from the finance cost of the relevant Term Loan. In view of the uncertainty of the final quantum of subsidy and its receipt the interest subsidy is being accounted on receipt basis.

### 2.17 **SEGMENT REPORTING:**

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 17 "Segment Reporting", notified under the Companies (Accounting Standards) Rules, 2006.

### 2.18 **EARNINGS PER SHARE:**

Basic earnings per share has been calculated by dividing the profit after tax by the weighted average number of equity shares outstanding during the year.

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## Notes forming part of the financial statements for the year ended 31st March 2014

### Note 3 - Share capital :

Particulars	Asat 31 March, 2014		Asat 31 March, 2013	
	Number of shares In Lacs	Rs. in Lacs	Number of shares (in Lacs)	Rs. in Lacs
<b>(a) Authorised</b>				
Equity shares of Rs.10 each with voting rights	120	1,200	120	1,200
<b>(b) Issued</b>				
Equity shares of Rs.10 each with voting rights	76.61	766.08	76.61	766.08
<b>(c) Subscribed and fully paid up</b>				
Equity shares of Rs.10 each with voting rights	76.61	766.08	76.61	766.08
<b>Total</b>	76.61	766.08	76.61	766.08

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh Issue	Bonus	Closing Balance
<b>Equity shares with voting rights</b>				
<b>Year ended 31 March, 2014</b>				
- Number of shares (in Lacs)	76.61	-	-	76.61
- Amount (Rs. in Lacs)	766.08	-	-	766.08
<b>Year ended 31 March, 2013</b>				
- Number of shares (in Lacs)	76.61	-	-	76.61
- Amount (Rs. in Lacs)	766.08	-	-	766.08

(ii) Details of shares held by each shareholder holding more than 5% shares: (Nos. in Lacs)

Class of shares / Name of shareholders	Asat 31 March, 2014		Asat 31 March, 2013	
	Number of shares helds	% holding in that class of shares	Number of shares helds	% holding in that class of shares
<b>Equity shares with voting rights</b>				
Suresh N. Mutreja	7.020	9.16	7.020	9.16
Lalit N. Mutreja	6.571	8.58	6.571	8.58

(iii) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:

a) Bonus (1 : 1) Equity shares allotted on 9th December 2009

Particulars	Aggregate number of shares (in lacs)	
	Asat 31 March, 2014	Asat 31 March, 2013
<b>Equity shares with voting rights</b>		
Fully paid up by way of Bonus shares as on 9th December 2009.	38.304	38.304

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## Notes forming part of the financial statements for the year ended 31st March 2014

### Note 4 Reserve and Surplus :

Particulars	As at 31 March, 2014 Rs. in Lacs	As at 31 March, 2013 Rs. in Lacs
<b>(a) Securities premium Reserve</b>		
Opening balance	160.54	160.54
Add : Premium on shares issued during the year	-	-
Less : Utilised during the year	-	-
Closing balance	<b>160.54</b>	<b>160.54</b>
<b>(b) General Reserve</b>		
Opening balance	316.47	301.47
Add: Transferred from Statement of Profit and Loss	15.00	15.00
Less: Utilised / transferred during the year	-	-
Closing balance	<b>331.47</b>	<b>316.47</b>
<b>(c) Surplus/(Deficit) in Statement of Profit and Loss</b>		
Opening balance	972.68	944.91
Add: Profit for the year	155.45	87.59
Less: Proposed Dividend on equity shares	61.29	38.30
Tax on dividend	10.00	6.51
Transferred to General Reserve	15.00	15.00
Closing balance	<b>1,041.84</b>	<b>972.68</b>
<b>Total</b>	<b>1,533.85</b>	<b>1,449.68</b>

### Note 5 Long-term borrowings :

Particulars	As at 31 March, 2014 Rs. in Lacs	As at 31 March, 2013 Rs. in Lacs
<b>SECURED:</b>		
<b>Term Loan from Banks</b>		
Bank of India	349.19	468.47
IDBI Bank Ltd.	139.67	202.72
	488.86	671.19
<b>Vehicle Loans</b>	11.86	4.17
<b>Total (A)</b>	<b>500.72</b>	<b>675.36</b>
<b>UNSECURED:</b>		
Deposits from Related Parties (Refer note 25)	29.00	72.00
Deposits from Others	130.00	286.00
<b>Total (B)</b>	<b>159.00</b>	<b>358.00</b>
<b>Total (A + B)</b>	<b>659.72</b>	<b>1,033.36</b>

#### **Term Loan - Security: Term Loans other than for Silli - Unit**

(Secured by First charge on Pari Passu basis between BOI & IDBI on Immovable properties situated at various manufacturing locations except for Silli - Unit. The loans are further secured by Hypothecation of Movable assets of the company both present and future (save and except Book debts) except for Silli - Unit and subject to prior charge on certain movable assets created in favour of Bank of India for securing working capital facilities and personal guarantee of two directors.)

#### **Term Loan for Silli - Unit**

(Secured by First charge in favour of BOI on Immovable properties situated at Silli - Unit. The loan is further secured by Hypothecation of Movable assets of the company both present and future (save and except Book debts) of Silli - Unit and personal guarantee of two directors.)

**Vehicle Loan - Security:** (Secured by hypothecation of specific assets)



## Notes forming part of the financial statements for the year ended 31st March 2014

a) The Repayment scheduled maturity of the long term borrowings is summarised as under:

Particulars	Term Loan as at 31/03/14 Rs. in Lacs	Term Loan as at 31/03/13 Rs. in Lacs	Vehicle Loan as at 31/03/14 Rs. in Lacs	Vehicle Loan as at 31/03/13 Rs. in Lacs
In first year (refer Note 9)	189.66	208.67	9.87	10.59
	189.66	208.67	9.87	10.59
In Second year	180.00	192.33	7.97	3.39
In Third to fifth year	308.86	478.86	3.89	0.78
	488.86	671.19	11.86	4.17

Note 6 Deferred Tax Liability (Net):

Particulars	As at 31 March, 2014 Rs. in Lacs	As at 31 March, 2013 Rs. in Lacs
<b>Attributable to the following items:</b>		
Liabilities - Depreciation	421.29	419.73
Assets - Provision for Bonus, Leave salary & Gratuity	31.86	17.74
<b>Total</b>	<b>389.43</b>	<b>401.99</b>

Note 7 Short-term borrowings:

Particulars	As at 31 March, 2014 Rs. in Lacs	As at 31 March, 2013 Rs. in Lacs
<b>SECURED:</b>		
<b>Facilities from Bank of India:</b>		
Cash Credit facilities	374.98	432.51
Packing Credit facilities	125.00	63.15
<b>Total</b>	<b>499.98</b>	<b>495.66</b>
<b>Security :- Working Capital Facility</b>		
a) Secured by First charge on Current Assets including Stocks and Book debts and Personal Guarantee of two directors.		
b) Secured by second charge on Pari Passu basis on all fixed Assets of existing units of company in Silvassa and Vapi except Silli - Unit.		

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## Notes forming part of the financial statements for the year ended 31st March 2014

### Note 8 Trade Payables:

Particulars	As at 31 March, 2014 Rs. in Lacs	As at 31 March, 2013 Rs. in Lacs
<b>Trade payables:</b>		
Micro, Small & Medium Enterprises (Refer Note 24.2)	43.05	25.21
Others	530.50	501.09
<b>Total</b>	<b>573.55</b>	<b>526.30</b>

### Note 9 Other current liabilities :

Particulars	As at 31 March, 2014 Rs. in Lacs	As at 31 March, 2013 Rs. in Lacs
(a) Current maturities of long-term debt from Banks. (Refer Note 5 for Security.)	199.53	219.26
(b) Interest accrued & due on Term Loan	2.33	4.50
(c) Other payables :		
(i) Statutory Liabilities	37.29	27.39
(ii) Advances from customers	29.25	50.47
(iii) Unpaid Dividend	4.08	3.54
(iv) Other Liabilities	108.24	80.65
<b>Total</b>	<b>380.72</b>	<b>385.81</b>

#### a) Details of Current maturities of Long Term Debts.

Particulars	As at 31 March, 2014 Rs. in Lacs	As at 31 March, 2013 Rs. in Lacs
<b>SECURED:</b>		
<b>Term Loan from:</b>		
Bank of India	129.66	148.67
IDBI Bank Ltd	60.00	60.00
<b>Vehicle Loans</b>	9.87	10.59
<b>Total</b>	<b>199.53</b>	<b>219.26</b>

### Note 10 Short-term provisions:

Particulars	As at 31 March, 2014 Rs. in Lacs	As at 31 March, 2013 Rs. in Lacs
Provision for Taxation - (Net of TDS & Advance Tax)	10.07	-
Provision for Gratuity - (Current)	0.99	0.63
Provision for proposed Equity Dividend	61.29	38.30
Provision for Tax on dividend	10.00	6.51
<b>Total</b>	<b>82.35</b>	<b>45.44</b>

## Notes forming part of the financial statements for the year ended 31st March 2014

### Note 11 FIXED ASSETS

(Rs. in Lacs.)

DESCRIPTION	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	BALANCE AS AT 1/04/2013	ADDITIONS DURING THE YEAR	DISPOSAL DURING THE YEAR	BALANCE AS AT 31/03/2014	BALANCE AS AT 01/04/2013	FOR THE CURRENT YEAR	ELIMINATED ON DISPOSAL OF ASSETS	BALANCE AS AT 31/03/2014	BALANCE AS AT 31/03/2014	BALANCE AS AT 31/03/2013
<b>A) Tangible Assets</b>										
<b>Land</b>										
Freehold	37.03	-	-	37.03	-	-	-	-	37.03	37.03
Leasehold	48.65	-	-	48.65	-	-	-	-	48.65	48.65
<b>Buildings/Premises</b>										
Factory Building	977.34	23.44	-	1,000.78	220.26	33.03	-	253.30	747.49	757.08
Staff Quarters	7.28	-	-	7.29	1.32	0.12	-	1.44	5.85	5.97
Office Premises *	43.83	-	-	43.83	7.14	0.71	-	7.86	35.97	36.69
<b>Plant &amp; Machineries</b>										
Basic Machineries	2,938.76	26.01	40.56	2,924.22	1,144.85	157.00	22.85	1,279.00	1,645.22	1,793.91
Utility Ancillary Equipments	334.39	0.87	-	335.26	188.40	11.77	-	200.16	135.10	146.00
Electrical Installation	259.23	23.47	-	282.70	61.09	14.72	-	75.80	206.89	198.15
Office Equipments	32.90	2.35	-	35.25	15.61	1.63	-	17.24	18.01	17.29
Computer	61.54	1.37	-	62.90	47.88	4.04	-	51.92	10.98	13.66
Vehicles - Car	90.03	32.98	22.09	100.91	30.44	9.31	10.46	29.29	71.62	59.59
Vehicles - Scooter	2.82	-	-	2.82	1.98	-	-	1.98	0.84	0.84
Furniture & Fixtures	67.39	1.92	-	69.31	37.85	3.05	-	40.91	28.40	29.53
<b>Total - A</b>	<b>4,901.20</b>	<b>112.40</b>	<b>62.65</b>	<b>4,950.95</b>	<b>1,756.82</b>	<b>235.38</b>	<b>33.31</b>	<b>1,958.89</b>	<b>2,992.06</b>	<b>3,144.38</b>
<b>Previous Year - A</b>	<b>4,628.38</b>	<b>366.23</b>	<b>93.41</b>	<b>4,901.20</b>	<b>1,590.46</b>	<b>241.51</b>	<b>75.14</b>	<b>1,756.82</b>	<b>3,144.38</b>	<b>3,037.93</b>
<b>B) Intangible Assets</b>										
Software **	34.04	2.64	-	36.69	13.11	5.77	-	18.88	17.80	20.93
<b>Total - B</b>	<b>34.04</b>	<b>2.64</b>	<b>-</b>	<b>36.69</b>	<b>13.11</b>	<b>5.77</b>	<b>-</b>	<b>18.88</b>	<b>17.80</b>	<b>20.93</b>
<b>Previous Year - B</b>	<b>32.54</b>	<b>1.50</b>	<b>-</b>	<b>34.04</b>	<b>7.12</b>	<b>5.99</b>	<b>-</b>	<b>13.11</b>	<b>20.93</b>	<b>25.42</b>
<b>Total - A + B</b>	<b>4,935.24</b>	<b>115.04</b>	<b>62.65</b>	<b>4,987.63</b>	<b>1,769.93</b>	<b>241.15</b>	<b>33.31</b>	<b>1,977.77</b>	<b>3,009.86</b>	<b>3,165.31</b>
<b>Previous Year - A + B</b>	<b>4,660.93</b>	<b>367.73</b>	<b>93.41</b>	<b>4,935.24</b>	<b>1,597.58</b>	<b>247.49</b>	<b>75.14</b>	<b>1,769.93</b>	<b>3,165.31</b>	<b>3,063.35</b>

\* Office Premises includes Rs. 250/- being the cost of five shares of Rs. 50/- each of Udit Mittal Industrial Premises.

\*\* Software to be amortised over a period of Five years due to applicability of AS - 26 on Intangible Assets issued by Institute of Chartered Accountants of India.

### Note 12 Long-term loans and advances:

Particulars	As at 31 March, 2014 Rs. in Lacs	As at 31 March, 2013 Rs. in Lacs
<b>Unsecured, considered good :</b>		
Deposits with Govt. Authorities	63.27	69.08
Deposits for Raw-materials Utility and Service providers	6.70	7.56
Advances against Capital Goods	16.54	10.09
Advance Tax (Net of Provisions)	-	14.76
<b>Total</b>	<b>86.51</b>	<b>101.49</b>

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## Notes forming part of the financial statements for the year ended 31st March 2014

### Note 13 Inventories :

(Value includes duties and taxes - taken, valued and certified by the Management)

Particulars	As at 31 March, 2014 Rs. in Lacs	As at 31 March, 2013 Rs. in Lacs
Raw materials (At Cost)	184.57	225.36
Raw materials in Transit (At Cost)	4.07	3.95
Finished goods (Lower of Cost or Market Value)	340.94	352.38
Packing Materials incl. in transit (At cost)	27.20	31.01
Stores and Spares incl. in transit (At cost)	16.61	25.40
Coal and Diesel incl. in transit (At cost)	5.55	14.22
<b>Total</b>	<b>578.94</b>	<b>652.31</b>

### Note 14 Trade receivables :

Particulars	As at 31 March, 2014 Rs. in Lacs	As at 31 March, 2013 Rs. in Lacs
<b>Unsecured, considered good:</b>		
Debts exceeding six months	26.72	41.40
Others	874.85	849.72
<b>Total</b>	<b>901.57</b>	<b>891.12</b>

### Note 15 Cash and Bank Balances :

Particulars	As at 31 March, 2014 Rs. in Lacs	As at 31 March, 2013 Rs. in Lacs
<b>I) Cash and cash equivalents:</b>		
(a) Cash on hand	4.28	11.72
(b) Balances with banks		
(i) In current accounts	52.47	63.02
(ii) For Unpaid dividend accounts	4.09	3.56
	60.84	78.30
<b>II) Other Bank Balances:</b>		
In earmarked deposit accounts		
- Balances held as margin money against guarantees and other commitments. All the deposits are for period exceeding 12 months	31.29	25.28
<b>Total</b>	<b>92.13</b>	<b>103.58</b>

## Notes forming part of the financial statements for the year ended 31st March 2014

### Note 16 Short-term loans and advances and Other Current Assets:

Particulars	AsAt 31 March, 2014 Rs. in Lacs	AsAt 31 March, 2013 Rs. in Lacs.
A) Short term Loans & Advances:		
Unsecured, considered good:		
(i) Loans and advances to employees	25.09	36.36
(ii) Advances to Others Suppliers	10.65	16.89
	35.74	53.26
B) Others Current Assets:		
Unsecured, considered good:		
(i) Balances with government authorities	0.67	1.80
(ii) Prepaid expenses	8.91	16.10
(iii) Others	157.65	124.58
	167.23	142.48
<b>Total</b>	<b>202.97</b>	<b>195.73</b>

### Note 17 Revenue from operations :

Particulars	For the year ended 31 March, 2014 Rs. in Lacs	For the year ended 31 March, 2013 Rs. in Lacs
(a) Sale of Manufactured Goods <i>(Texturised, Twisted, Dyed &amp; Fancy Yarn)</i>		
Domestic Sales (Net of VAT/CST)	8,455.46	7,683.59
Export Sales	675.86	474.26
	9,131.32	8,157.85
(b) Sale of Waste Yarn (Net of VAT/CST)	2.66	3.10
(c) Processing Charges (Net of VAT/CST) <i>(Texturising, Twisting &amp; Dyeing)</i>	1,494.78	1,174.75
<b>Total</b>	<b>10,628.76</b>	<b>9,335.71</b>

### Note 18 Other income:

Particulars	For the year ended 31 March, 2014 Rs. in Lacs	For the year ended 31 March, 2013 Rs. in Lacs
(i) Interest received	21.53	28.97
(ii) Sundry balances written back	5.70	5.44
(iii) Export Incentives	46.11	29.75
(iv) Foreign exchange fluctuation gain	-	4.19
(v) Profit on sale of Fixed assets	-	0.40
(vi) Other Misc Income	38.56	22.20
<b>Total</b>	<b>111.90</b>	<b>90.95</b>

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## Notes forming part of the financial statements for the year ended 31st March 2014

### Note 19 Cost of Materials Consumed :

Particulars	For the year ended 31 March, 2014 Rs. in Lacs	For the year ended 31 March, 2013 Rs. in Lacs
<b>Indigenous</b>		
Opening stock	229.31	145.75
Add: Purchases	6,706.56	5,902.29
	6,935.87	6,048.05
Less: Closing stock	188.64	229.31
<b>Total</b>	<b>6,747.23</b>	<b>5,818.73</b>

### a) Cost of Materials consumed

Particulars	For the year ended 31 March, 2014 Rs. in Lacs	For the year ended 31 March, 2013 Rs. in Lacs
Yarns	5,685.49	4,970.74
Dyes & Chemicals	1,061.74	847.99
<b>Total</b>	<b>6,747.23</b>	<b>5,818.73</b>

### Note 20 Changes in inventories of finished goods:

Particulars	For the year ended 31 March, 2014 Rs. in Lacs	For the year ended 31 March, 2013 Rs. in Lacs
<b>Inventories at the end of the year:</b>		
Finished goods	340.94	352.38
<b>Inventories at the beginning of the year:</b>		
Finished goods	352.38	399.56
<b>Total</b>	<b>11.44</b>	<b>47.18</b>

### Note 21 Employee benefits expense :

Particulars	For the year ended 31 March, 2014 Rs. in Lacs	For the year ended 31 March, 2013 Rs. in Lacs
Salaries and Wages	781.13	665.74
Contributions to Provident funds / ESIC & LWF	40.12	41.75
Staff welfare expenses	24.54	21.51
<b>Total</b>	<b>845.79</b>	<b>729.00</b>

## Notes forming part of the financial statements for the year ended 31st March 2014

As per Accounting Standard - 15 "Employee benefits", the disclosures as defined in Accounting Standard are given below:

	Rs. in Lacs	Rs. in Lacs
I Actuarial Assumptions as at	31.3.2014	31.3.2013
Mortality Rate	LIC(1994-96)	LIC(1994-96)
Discount Rate	9.00%	8.25%
Salary escalation rate	6.00%	6.00%
Rate of return (expected) on plan assets	0.00%	0.00%
Retirement age	60	60
Expected average remaining service	27	28
<b>II Changes in present value of obligations</b>		
PVO at beginning of year	20.36	19.95
Interest cost	-	1.51
Current service cost	2.03	2.00
Benefits Paid	(3.53)	(4.47)
Actual(gain)/loss on obligation	15.00	1.00
PVO at end of year	34.02	20.36
<b>III Changes in fair value of plan assets</b>		
Fair Value of Plan Assets at beginning of year	-	-
Expected Return on Plan Assets	-	-
Contributions	3.53	4.47
Benefit Paid	(3.53)	(4.47)
Actuarial (gain)/loss on plan assets	-	-
Fair Value of Plan Assets at end of year (estimated)	-	-
<b>IV Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at beginning of year	-	-
Actual Return on Plan Assets	-	-
Contributions	3.53	4.47
Benefit Paid	(3.53)	(4.47)
Fair Value of Plan Assets at end of year	-	-
Funded Status	(34.02)	(20.36)
Excess of actual over estimated return on Plan Assets	-	-
<b>V Actuarial (gain)/loss Recognized</b>		
Actuarial (gain)/loss for the year (Obligation)	(15.00)	(1.00)
Actuarial (gain)/loss for the year (Plan Assets)	-	-
Total (gain)/loss for the year	(15.00)	(1.00)
Actuarial (gain)/loss recognized for the year	(15.00)	(1.00)
Unrecognized Actuarial (gain)/loss at end of year	-	-

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## Notes forming part of the financial statements for the year ended 31st March 2014

	Rs. in Lacs	Rs. in Lacs
<b>VI Amounts to be recognized in the balance sheet and statement of profit &amp; loss</b>		
PVO at end of year	34.02	20.36
Fair Value of Plan Assets at end of year	-	-
Funded Status	(34.02)	(20.36)
Unrecognized Actuarial (gain)/loss	-	-
Net Asset/(Liability) recognized in the balance sheet	(34.02)	(20.36)

<b>VII Expense recognized in the statement of profit &amp; loss</b>		
Current Service Cost	2.03	2.00
Interest cost	-	1.51
Expected Return on Plan Assets	-	-
Net Actuarial (gain)/loss recognized for the year	15.00	1.00
Expense recognized in the statement of P & L A/C	17.03	4.51

<b>VIII Movements in the Liability recognized in Balance Sheet</b>		
Opening Net Liability	20.36	19.95
Expenses as above	17.03	4.51
Contribution paid	(3.53)	(4.47)
Closing Net Liability	33.86	19.99

<b>IX. Break up of total liabilities as per Revised Schedule VI of Companies Act.</b>		
Current liabilities.	1.00	0.62
Non-current liability	33.02	19.74
Total liability	34.02	20.36

### Note 22 Finance costs :

Particulars	For the year ended 31 March, 2014 Rs. in Lacs	For the year ended 31 March, 2013 Rs. in Lacs
<b>Interest expenses :</b>		
On Term Loans (Net of Tuf's subsidy)	104.75	102.36
On Working Capital	35.07	51.45
On Unsecured Loans & Others	44.66	53.57
<b>Total</b>	<b>184.48</b>	<b>207.38</b>



## Notes forming part of the financial statements for the year ended 31st March 2014

### Note 23 Other Expenses :

Particulars	For the year ended 31 March, 2014 Rs. in Lacs	For the year ended 31 March, 2013 Rs. in Lacs
<b>a) Manufacturing Expenses:</b>		
Stores and spares consumed (Refer Note below)	100.23	73.75
Packing Materials	410.29	362.63
Power and fuel	1,046.57	961.43
Machinery Repairs and maintenance	21.61	20.33
Processing & Labour Charges	7.52	7.63
Security Charges	25.86	25.26
Factory Expenses	27.77	28.67
<b>Total</b>	<b>1,639.85</b>	<b>1,479.70</b>
<b>b) Administrative &amp; Selling Expenses:</b>		
Freight and forwarding	284.54	246.78
Brokerage and Commission	123.04	105.82
Discounts	95.29	83.78
Sales Tax	3.66	2.85
Advertisement & Business Promotion expenses	17.02	2.58
Rent, Rates & Taxes	15.76	15.39
Repairs - Buildings	3.57	1.80
Repairs - Others	33.98	27.25
Insurance	3.96	3.80
Travelling & Conveyance	21.19	24.01
Printing and stationery	22.30	22.63
Bank Charges & Commission	7.49	6.94
Postage, Telephone and Courier Charges	16.39	15.88
Vehicle Maintenance Exps	20.36	17.54
Office Electricity	7.17	5.80
Donations	0.05	0.29
Legal and professional fees	48.84	34.35
Director's Remuneration	31.85	31.29
Director's Sitting Fees	0.50	0.50
Payments to Auditors: (Refer Note below)	3.29	2.79
Miscellaneous Expenses	17.47	14.84
Loss on Sale of Investment	0.96	-
Foreign exchange fluctuation Loss	0.56	-
Loss on sale of Fixed assets	7.87	-
Bad Debts	8.70	16.42
<b>Total</b>	<b>795.81</b>	<b>683.35</b>
<b>Total (a+b)</b>	<b>2,435.66</b>	<b>2,163.05</b>

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## Notes forming part of the financial statements for the year ended 31st March 2014

### a) Stores and Spares consumed

Particulars	For the year ended 31 March, 2014 Rs. in Lacs	For the year ended 31 March, 2013 Rs. in Lacs
Indigenous	99.18	62.33
Imported	1.05	11.42
<b>Total</b>	<b>100.23</b>	<b>73.75</b>

### b) Payments to the Auditors:

Particulars	For the year ended 31 March, 2014 Rs. in Lacs	For the year ended 31 March, 2013 Rs. in Lacs
Statutory & Tax Audit Fees	2.70	2.36
Certification fees	0.59	0.43
<b>Total</b>	<b>3.29</b>	<b>2.79</b>

## Notes forming part of the financial statements for the year ended 31st March 2014

### Note 24 Additional information to the financial statements :

Particulars	As at 31 March, 2014 Rs. in Lacs	As at 31 March, 2013 Rs. in Lacs
<b>24.1 Contingent Liabilities and Commitments</b>		
<b><u>i) Claims against the Company not acknowledged as debts :</u></b>		
The disputed demands of VAT & Entry Tax on the Yarn received for Dyeing Job Work by the Vapi Unit for FY 2008-2009 and 2009-2010 wherein the company is in appeal before the appellate authority and has also obtained for the stay of demand.	1,134.99	509.65
The Company has made the representation to the Gujarat Govt. for Remission.		
Textile Cess claim against the claim not admitted as debts	2.39	2.39
	<b>1,137.38</b>	<b>512.04</b>
<b>24.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006</b>		
(a) Principal amount remaining unpaid to any supplier as at the end of the accounting year	43.05	25.21
(b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	Nil	Nil
(c) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	Nil	Nil
(d) The amount of interest due and payable for the year	Nil	Nil
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	Nil	Nil
Note :- Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.		
<b>24.3 Value of Imports (calculated on CIF basis) :</b>		
(a) Plant & Machinery	-	7.89
(b) Machinery Spares	1.05	9.97
<b>24.4 Expenditure in foreign currency :</b>		
Travelling Expenses	-	0.51
Brokerage & Commission	2.11	-
<b>24.5 Earnings in foreign exchange (calculated on FOB value) :</b>		
Export of goods	620.35	438.99

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## Notes forming part of the financial statements for the year ended 31st March 2014

### Note 25 Disclosures under Accounting Standards :

#### Segment information

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 17 "Segment Reporting", notified under the Companies (Accounting Standards) Rules, 2006.

#### Inter divisional transfer

Inter divisional transfer for Sales/ Processing charges for Texturising, Twisting and Dyeing of Rs. 1836.70 Lacs (Previous Year Rs. 1459.30 Lacs ) are not considered for sales as well as manufacturing expenses as per Accounting Standard (AS-9) 'Revenue Recognition' issued by The Institute of Chartered Accountants of India.

#### Related party disclosures as per (AS-18)

Details of related parties:	
Description of relationship	Names of related parties
Key Management Personnel (KMP)	Mr. Suresh Mutreja (Chairman & Managing Director) Mr. Lalit Mutreja (Executive Director)
Relatives of Key Management Personnel	Mrs. Sheeladevi Mutreja - Mother of CMD Mrs. Kajal Mutreja - Wife of Executive Director Mrs. Tina Mutreja - Daughter in law of CMD  Mr. Kunal Mutreja - Son of CMD Mr. Varun Mutreja - Son of CMD Mr. Ankit Mutreja - Son of CMD
Note: Related parties have been identified by the Management.	
Details of related party transactions during the year ended 31 March, 2014 and balances outstanding as at 31 March, 2014:	

#### Related party transactions Contd....

(Rs. in Lacs)

Particulars	Key Management Personnel	Relatives of Key Management Personnel	Total
Rent Income	Nil (Nil)	4.80 (3.60)	4.80 (3.60)
Rent Paid	Nil (Nil)	3.84 (3.84)	3.84 (3.84)
Packing Materials & Charges	Nil (Nil)	83.77 (79.74)	83.77 (79.74)
Remuneration	31.85 (31.29)	12.87 (12.69)	44.72 (43.98)

(Previous year figures are shown in brackets)

## Notes forming part of the financial statements for the year ended 31st March 2014

### Related party transactions Contd....

(RS. in Lacs)

Particulars	Key Management Personnel	Relatives of Key Management Personnel	Total
Interest Payment	3.00 (3.00)	5.24 (5.64)	8.24 (8.64)
Balances outstanding at the end of the year: Borrowings - Deposits (unsecured)	0 (25.00)	29.00 (47.00)	29.00 (72.00)
Packing Materials	Nil (Nil)	2.85 (16.97)	2.85 (16.97)

### Earnings per share:

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
<b>Basic &amp; Diluted EPS</b>		
Net profit after Tax for the year from continuing operations attributable to the equity shareholders (Rs. in Lacs)	155.45	87.59
Weighted average number of Equity Shares (in Lacs)	76.61	76.61
Nominal Value per share (Amount in Rs.)	10.00	10.00
<b>Earnings per share - Basic &amp; Diluted</b>	<b>2.03</b>	<b>1.14</b>

### Deferred tax (liability) / Assets:

Particulars	As At 31 March, 2014 Rs. in Lacs	As At 31 March, 2013 Rs. in Lacs
<b>Tax effect of items constituting deferred tax liability</b>		
On difference between book and tax depreciation	421.29	419.73
On expenditure deferred in the books but allowable for tax purpose.		
Tax effect of items constituting deferred tax liability	421.29	419.73
<b>Tax effect of items constituting deferred tax assets</b>		
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	31.86	17.74
Tax effect of items constituting deferred tax assets	31.86	17.74
<b>Net deferred tax (Liability) / Asset</b>	<b>389.43</b>	<b>401.99</b>

### Previous year's figures :

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

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## FINANCIAL PERFORMANCE HIGHLIGHTS

(Rs. in Lacs)

Particulars	2014	2013	2012
Revenue from operations (net)	10562.74	9270.84	8308.98
Expenses	10040.11	8757.96	7874.87
Earnings before other Income Interest, Tax, Depreciation (EBITDA)	522.63	512.87	434.11
Other Income	111.90	90.95	49.15
Earnings before Interest, Tax, Depreciation (EBITDA)	634.53	603.82	483.26
Finance costs	184.48	207.38	122.88
Earnings before Tax, Depreciation (EBTDA)	450.05	396.44	360.39
Depreciation and amortisation expense	241.15	247.49	217.96
Earnings before Tax	208.89	148.95	142.43
Taxes	(-53.44)	(-61.36)	(-25.67)
Earnings after Tax	155.45	87.59	116.76
<b>A) EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	766.08	766.08	766.08
(b) Reserves and surplus	1533.85	1449.68	1406.91
<b>Non-current liabilities</b>			
(a) Long-term borrowings	659.72	1033.36	1132.39
(b) Long-term provisions (gratuity)	33.02	19.74	19.88
(c) Deferred tax liabilities (net)	389.43	401.99	370.43
<b>Current liabilities</b>			
(a) Short-term borrowings	499.98	495.66	405.59
(b) Trade payables	573.55	526.30	572.54
(c) Other current liabilities	380.72	385.81	284.31
(d) Short-term provisions	82.35	45.44	0.73
	<b>4918.70</b>	<b>5124.05</b>	<b>4958.85</b>
<b>B) ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	2,992.06	3,144.38	3,037.93
(ii) Intangible assets	17.80	20.93	25.42
(iii) Capital work-in-progress - Tangible	46.72	13.22	103.04
(b) Non Current Investments	-	1.27	1.27
(c) Long-term loans and advances	86.51	101.49	127.00
<b>Current assets</b>			
(a) Inventories	578.94	652.31	600.90
(b) Trade receivables	901.57	891.12	773.37
(c) Cash and cash equivalents	92.13	103.58	94.41
(d) Short-term loans and advances	35.74	53.26	75.55
(e) Other Current Assets	167.23	142.48	119.97
	<b>4,918.70</b>	<b>5124.05</b>	<b>4,958.85</b>



Particulars	2014	2013	2012
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### Important Ratios

#### (A) Measures of Performance

Operating Profit	4.95%	5.53%	5.22%
Interest / Sales	1.75%	2.24%	1.48%
Gross Profit Margin	4.26%	4.28%	4.34%
Net Profit	1.47%	0.94%	1.41%
Return of Net worth	6.76%	3.95%	5.37%

#### (B) Measures of Financial Status

Debt / Equity Ratio (LT & ST)	0.5	0.7	0.7
Current Ratio	1.2	1.3	1.3
Interest Coverage	3.7	3.2	4.1
Debtors Period (in Days)	31.2	35.1	34.0
Fixed Assets to Turnover	3.5	2.9	2.6

#### (C) Measures of Investments

Earnings Per Share (EPS/Diluted)	2.03	1.14	1.52
Cash Earnings per Share	5.18	4.37	4.37
Dividend per Share	0.80	0.50	1.00
Dividend Payout (%)	39.4%	44.3%	65.6%
Profit Plough back (%)	60.6%	55.7%	34.4%
Book Value*	30.02	28.92	28.36

\*(1:1 Bonus share issued on Dec 09, 2009)



## VALSON INDUSTRIES LIMITED

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

### ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance of the meeting hall

I, hereby record my attendance at the **30<sup>th</sup> Annual General Meeting** of the Company held on 13th September, 2014, Unit No. 28, Bldg. No. 6, Gr. Floor, Mittal Industrial Estate, Sir M. V. Road, Andheri (East), Mumbai 400 059 at 11.30 a.m.



*DP ID :		*CLIENT ID :	
NAME AND ADDRESS OF SHAREHOLDER		**FOLIO NO :	
		No. of share held :	

\*To be filled by Shareholders holding shares in dematerialised form

\*\*To be filled by shareholder holding shares in physical form.

SIGNATURE OF THE SHARE HOLDER OR PROXY : \_\_\_\_\_





# VALSON INDUSTRIES LIMITED

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:	Premises No. 28, Ground Floor, Building 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 30th Annual General Meeting of the Company, to be held on the Saturday, 13th September, 2014 at 11.30 A.M. at Premises No. 28, Ground Floor, Building 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:

Resolutions	For	Against
1. Adoption of Financial Statements for the year ended 31st March, 2014.		
2. To declare dividend on equity shares.		
3. Re-appointment of Mr. Lalit N. Mutreja, who retires by rotation.		
4. Re-Appointment M/s. Mehta Chokshi & Shah, Chartered Accountants as Statutory Auditors and to fix their remuneration.		
5. To authorize the Board to borrow monies upto Rs. 100 crores as per section 180 (1) (c) of the Companies Act, 2013.		
6. To authorize the Board to create charge on the assets of the Company to secure the borrowings upto Rs. 100 crores as per section 180 (1) (a) of the Companies Act, 2013		
7. To appoint Shri Chandan Gupta as Independent Director		
8. To appoint Shri Surendrakumar Suri as Independent Director		
9. Acceptance of Deposits from Members		

Signed this ____ day of _____ 2014.	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: auto;"> Affix revenue stamp </div>
Signature of shareholder _____	
Signature of Proxy Holder (s): _____	

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.



BOOK - POST



**VALSON INDUSTRIES LIMITED**

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