Valson ©

INDUSTRIES LIMITED

CIN:L17110MH1983PLC030117

31ST ANNUAL REPORT
2014-2015

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, 2015
3.	Type of Audit Observation	Un-qualifed
4.	Frequency of Observation	Not Applicable

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

Abhay R Mehta
Partner
Membership No. 46088

MEHTA CHOKSHI & SHAH MUMBAI-2 CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 22nd May 2015

For and on behalf of the Board
Valson Industries Limited

S. N Mutreja

Suresh N. Mutreja
Chairman & Managing Director

Mutreja

Varun S. Mutreja
Director & Chief Financial Officer

Kunal S. Mutreja
Chief Executive Officer

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Suresh N. Mutreja, Chairman & Mg. Director
*Mr. Lalit N. Mutreja, Executive Director
Mr. Chandan S. Gupta, Independent Director
Mr. Surendra Kumar Suri, Independent Director
**Mr. Varun S. Mutreja, Chief Financial Offiecer
#Mrs. Asha S. Mutreja, Woman Director
#Mr. Pradip C. Shah, Independent Director

*Resigned w.e.f. 14.11.2014
**Appointed w.e.f. 14.11.2014
#Appointed w.e.f. 14.02.2015

AUDIT COMMITTEE

Mr. Chandan S. Gupta
Mr. Surendra Kumar Suri
*Mr. Lalit N. Mutreja
**Mr. Varun S. Mutreja
#Mr. Pradip C. Shah

*Resigned w.e.f. 14.11.2014
**Appointed w.e.f. 14.11.2014
Appointed w.e.f. 14.02.2015

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Suresh N. Mutreja
*Mr. Lalit N. Mutreja
Mr. Surendra Kumar Suri
**Mr. Varun S. Mutreja

*Resigned w.e.f. 14.11.2014
**Appointed w.e.f. 14.11.2014

AUDITORS

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

BANKERS

Bank of India
IDBI Bank

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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

REGISTRAR & TRANSFER AGENT

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

31st ANNUAL GENERAL MEETING

On 14th August, 2015 at 10.45 A.M at
28, Bldg. No. 6, Mittal Industrial Estate,
Sir M. V. Road, Andheri (East),
Mumbai - 400 059.

NOTICE

NOTICE is hereby given that the Thirty-First Annual General Meeting of the members of **VALSON INDUSTRIES LIMITED** will be held on Friday, 14th day, August, 2015 at 10.45 A.M. at 28, Bldg. No.6, Mittal Industrial Estate, Sir M. V. Road, Andheri (East), Mumbai - 400 059 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt an Audited Financial Statement of the Company for the financial year ended March 31, 2015 and the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on Equity Shares (@ 10%) i.e. Rs.1/- per Equity Share.
3. To appoint a Director in place of Mr. Suresh N. Mutreja, who retires by rotation and being eligible, offers himself for re-appointment.
4. Appointment of Statutory Auditors

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

   "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and The Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s Mehta Chokshi & Shah , Chartered Accountants, Mumbai having ICAI Firm Registration No.106201W, who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby re-appointed as Statutory Auditors of the Company for the Company's financial year 2015-2016, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and re-imbursement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company."

SPECIAL BUSINESS:

5. To appoint Mrs. Asha S. Mutreja (DIN: 07092404) as a Woman Director and in this regard, to consider, and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of 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, Mrs. Asha S. Mutreja (DIN: 07092404), who was appointed as an Additional Director 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 her candidature for the office of Director, be and is hereby appointed as a Woman Director of the Company, liable to retire by rotation."
6. To appoint Mr. Pradip C. Shah (DIN: 00012803) as an Independent Director and in this regard, to consider, and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of 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, Mr. Pradip C. Shah (DIN: 00012803), who was appointed as an Additional Director 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 36th Annual General Meeting of the Company in the calendar year 2020."
7. To appoint Mr. Varun S. Mutreja (DIN: 07022832) as a Director and in this regard, to consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Section 152 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), Mr. Varun S. Mutreja (DIN: 07022832), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of 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 a Director of the Company, liable to retire by rotation."

8. To appoint Mr. Varun S. Mutreja (DIN: 07022832) as a Chief Financial Officer and in this regard, to consider, and if thought fit, to pass, with or without modification the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the said Act) including Schedule V of the said Act as amended up-to-date, consent and approval be and is hereby accorded to the appointment and payment of remuneration and perquisites to Mr. Varun S. Mutreja as the Chief Financial Officer of the Company designated as Director-Chief Financial Officer for a period of five years with effect from 14th November, 2014 to 13th November, 2019.

RESOLVED FURTHER THAT Mr. Varun S. Mutreja shall be paid remuneration not exceeding Rs. 1,00,000/- per month excluding the perquisites as permissible under Schedule V of the Companies Act, 2013 and shall be eligible for increments as may be decided by the Board of Directors from time to time annually, if permissible as per the provisions of the Act.

RESOLVED FURTHER THAT the terms and conditions of the letter of appointment which is placed before the meeting and signed by Mr. Suresh N. Mutreja, Managing Director of the company for the purpose of identification is approved.

RESOLVED FURTHER THAT Mr. Varun S. Mutreja is authorized to represent the Company as Chief Financial Officer before various statutory authorities as may be required from time to time and accordingly, authorized to make submissions, written or oral, sign documents, forms, etc as may be required.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to vary or increase the remuneration to the extent the Board of Directors may consider appropriate and as may be authorized in accordance with any provision under the Act for the time being in force provided, however, that the remuneration and perquisites payable to Mr. Varun S. Mutreja shall be within the limits set out in the said Act including the said Schedule V to the Act or any amendments thereto or any modification(s) or statutory re-enactment(s) thereof and/or any rules or regulations framed there under provided that the terms of the letter of appointment between the company and Mr. Varun S. Mutreja shall be suitably modified to give effect to such variation or increase as the case may be.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company during the term of office of Mr. Varun S. Mutreja as Whole Time Director designated as Director-Chief Financial Officer of the Company, the remuneration and perquisites set out in the aforesaid letter of appointment be paid or granted to Mr. Varun S. Mutreja as minimum remuneration provided that the total remuneration by way of salary, perquisites and other allowances shall not exceed the ceiling provided in Part II (A) of Schedule V to the said Act or such other amount and perquisites as may be provided in the said Schedule V whether or not amended from time to time or any equivalent statutory re-enactment(s) thereof."

9. To appoint Mrs. Asha S. Mutreja (DIN: 07092404) as a Whole-Time Director and in this regard, to consider, and if thoughtfit, to pass, with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, and other applicable provisions, if any, of the Companies Act, 2013 (the said Act) including Schedule V of the said Act as amended up-to-date, consent and approval be and is hereby accorded to the appointment and payment of remuneration and perquisites to Mrs. Asha S. Mutreja as the Whole-Time Director of the Company for a period of five years with effect from 1st June, 2015 to 31st May, 2020.

RESOLVED FURTHER THAT Mrs. Asha S. Mutreja shall be paid remuneration not exceeding Rs. 1,00,000/- per month excluding the perquisites as permissible under Schedule V of the Companies Act, 2013 and shall be eligible for increments as may be decided by the Board of Directors from time to time annually, if permissible as per the provisions of the Act.

RESOLVED FURTHER THAT the terms and conditions of the letter of appointment which is placed before the meeting and signed by Mr. Suresh N. Mutreja, Managing Director of the company for the purpose of identification is approved.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to vary or increase the remuneration to the extent the Board of Directors may consider appropriate and as may be authorized in accordance with any provision under the Act for the time being in force provided, however, that the remuneration and perquisites payable to Mrs. Asha S. Mutreja shall be within the limits set out in the said Act including the said Schedule V to the Act or any amendments thereto or any modification(s) or statutory re-enactment(s) thereof and/or any rules or regulations framed there under provided that the terms of the letter of appointment between the company and Mrs. Asha S. Mutreja shall be suitably modified to give effect to such variation or increase as the case may be.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company during the term of office of Mrs. Asha S. Mutreja as Whole Time Director of the Company, the remuneration and perquisites set out in the aforesaid letter of appointment be paid or granted to Mrs. Asha S. Mutreja as minimum remuneration provided that the total remuneration by way of salary, perquisites and other allowances shall not exceed the ceiling provided in Part II (A) of Schedule V to the said Act or such other amount and perquisites as may be provided in the said Schedule V whether or not amended from time to time or any equivalent statutory re-enactment(s) thereof."

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

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Kedia & Co., Cost Accountants Regd. No.000198, the Cost Auditors be appointed by the Board of Directors of the company, to conduct the audit of the cost records of the company for the financial year ended March 31, 2016, be paid remuneration of Rs.80,000/- as also the payment of service tax as applicable and re-imbursement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

11. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with applicable Rules under Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of applicable provisions of Listing Agreement executed with the Stock Exchanges (including any amendment, modification or re enactment thereof), and subject to such approvals, consents, sanctions and permissions as may be necessary, the consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any committee constituted by the Board of Directors of the Company) to sell its unit situated at 1705, IIIrd Phase, GIDC, Vapi, Gujarat at a price of Rs.2,88,57,950/- (Rupees Two Crores Eighty-Eight Lacs Fifty-Seven Thousand Nine Hundred and Fifty only) to M/s. L. N. Industries (Mr. Lalit N. Mutreja, Partner and is brother of Mr. Suresh N. Mutreja).

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to enter into an agreement for sale and sign/execute, register and submit all the required legal documents, papers, letters, writings, etc. in connection with the above matter and all other matters arising out of or incidental to the proposed transactions and generally to do all such acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any one or more Directors of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution."

NOTES:

1. The relative Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013, in respect of the businesses under Item Nos. 5, 6, 7, 8, 9, 10 & 11 of the accompanying Notice are annexed hereto.

2. A statement giving the relevant details of the Directors seeking re-appointment under Item No. 3 of the accompanying Notice, as required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges is annexed herewith.

3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

   THE INSTRUMENT APPOINTING A PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING i.e. by 10.45 am on Wednesday, August 12, 2015.

4. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.

5. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.

6. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.

7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.

8. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.

9. The Register of Members and Share Transfer Books of the Company shall remain closed from August 11, 2015 to August 14, 2015, both days inclusive, for payment of final dividend, if declared at the Meeting.

10. After the declaration of the dividend at the Annual General Meeting, the same will be paid to those Members of the Company whose names stand on the Register of Members of the Company on August 10, 2015. The dividend in respect of shares held in dematerialized form in the Depository System will be paid to the beneficial owners of shares as on August 10, 2015 as per the list provided by the Depositories for this purpose. The dividend will be payable on and from August 31, 2015.

11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.

12. Members desiring any relevant information on the Accounts at the Annual General Meetings are requested to write to the Company at least seven days in advance, so as to enable the company to keep the information ready. Members can also email their queries at the email address of the Compliance Officer, Mr. Pritesh Shah (pritesh@valsonindia.com)

13. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956 (which are still applicable as the relevant sections under the Companies Act, 2013 are yet to be notified), the Company has transferred on due dates, the unpaid or unclaimed dividends for the financial year ended 31st March, 2008 and to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012,

the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 13th, 2014 (date of the last Annual General Meeting) on the website of the Ministry of Corporate Affairs (www.mca.gov.in).

For Equity Shareholders :

Financial Year	Date of Declaration of Dividend	Last Date of Claiming 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
Final Dividend 2013 - 2014	13.09.2014	17.10.2021

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

14. Members holding shares in single name and in physical form are advised to make a nomination in respect of their shareholding in the Company and those Members who hold shares singly in dematerialized form are advised to make a nomination through their Depository Participants.

15. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

16. Information required under Clause 49 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:

Name and Particulars	Mr. Suresh N. Mutreja	Mrs. Asha S. Mutreja	Mr. Varun S. Mutreja	Mr. Pradip C. Shah
Director Identification Number(DIN)	00052046	07092404	07022832	00012803
Date of Birth	15/07/1957	09/10/1961	16/09/1984	19/05/1955
Nationality	Indian	Indian	Indian	Indian
Date of Appointment on Board	26/06/1983	14/02/2015	14/11/2014	14/02/2015
Qualifications	B.com	B.com	MBA in Finance	B.com, LLB, FCS
Shareholding in Valson Industries Limited	15,87,000 Shares	6,19,000 Shares	2,93,000 Shares	NIL
Expertise in specific functional areas	Industrialist	Business Woman	Export, Finance and Marketing	Corporate Compliance Management and Advisory
Directorships in other Public Limited Companies*	Nil	Nil	Nil	GP Petroleum Ltd. Formerly known as Sah Petroleum Ltd.

Name and Particulars	Mr. Suresh N. Mutreja	Mrs. Asha S. Mutreja	Mr. Varun S. Mutreja	Mr. Pradip C. Shah
Memberships of Committees in other Public Limited Companies* (includes only Audit & Shareholders / Investors Grievances Committee)	Nil	Nil	Nil	Chairman- AC, GP Petroleum Ltd. SIG- Member, GP Petroleum Ltd. Formerly known as Sah Petroleum Ltd.

PROCESS FOR MEMBERS OPTING FOR E-VOTING

For members whose e-mail addresses are registered with the Company / Depositories.

Voting through electronic means

1. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 31st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM) ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
2. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
3. The members who have cast their vote by remote e-voting prior to the (AGM) may also attend the (AGM) but shall not be entitled to cast their vote again.
4. The remote e-voting period commences on 11th August, 2015 (9:00 am) and ends on 13th August, 2015 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 7th August, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
5. The process and manner for remote e-voting are as under:

   A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company Depository Participants(s)] :

      (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

      (ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

      (iii) Click on Shareholder - Login

      (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

      (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

      (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

      (vii) Select "EVEN" of "Valson Industries Limited".

      (viii) Now you are ready for remote e-voting as Cast Vote page opens.

      (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

      (x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to noticetome@gmail.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

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

7. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password PIN for casting your vote.

8. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

9. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 7th August, 2015.

10. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 7th August, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.

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

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

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

13. Mr. Punit Shah, Practicing Company Secretary (Membership No. 20536) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

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

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

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

By order of the Board
For Valson Industries Limited

Place: Mumbai
Dated: 22nd May, 2015

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

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT

The following Explanatory Statements, as required under Section 102 of the Companies Act, 2013, set out all material facts relating to the business under Item Nos. 5, 6, 7, 8, 9 and 10 of the accompanying Notice dated 22nd May 2015.

ITEM NO. 5, 6 & 7 - Appointment of Mrs. Asha S. Mutreja as a Woman Director, Mr. Pradip C. Shah as an Independent Director and Mr. Varun S. Mutreja as a Director.

Mrs. Asha S. Mutreja was appointed as a Woman Director of the Company at the Board meeting held on 14th February, 2015. Mr. Pradip C. Shah was appointed as an Independent Director of the Company at the Board Meeting held on 14th February, 2015. Mr. Varun S. Mutreja was appointed as an Additional Director of the Company at the Board Meeting held on 14th November, 2014.

In terms of provisions of Section 161(1) of the Act, Mrs. Asha S. Mutreja, Mr. Pradip C. Shah and Mr. Varun S. Mutreja would hold office up to the date of the ensuing Annual General Meeting. The Company has received notices in writing from members along with a deposit of requisite amount under Section 160 of the Act proposing the candidature of Mrs. Asha S. Mutreja, Mr. Pradip C. Shah and Mr. Varun S. Mutreja for the office of Directors of the Company.

It is proposed to appoint Mrs. Asha S. Mutreja as a Woman Director under Section 149 of the Act and Clause 49 of the Listing Agreement, liable to retire by rotation.

It is proposed to appoint Mr. Pradip C. Shah as an Independent Director under Section 149 of the Act and Clause 49 of the Listing Agreement and shall hold office for a term up to 5 (five) consecutive years on the Board of the Company and he shall not be included in the total number of directors for retirement by rotation.

It is proposed to appoint Mr. Varun S. Mutreja as a Director under Section 152 of the Act and Clause 49 of the Listing Agreement, liable to retire by rotation.

Mrs. Asha S. Mutreja, Mr. Pradip C. Shah and Mr. Varun S. Mutreja 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 also received declaration from Mr. Pradip C. Shah that he met 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, Mr. Pradip C. Shah fulfills the conditions for appointment as Independent Director as specified in the Act and the Listing Agreement. Mr. Pradip C. Shah is independent of the management.

Brief resume of Mrs. Asha S. Mutreja, Mr. Pradip C. Shah and Mr. Varun S. Mutreja, 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 appointment of Mr. Pradip C. Shah as Independent Director setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

Mr. Pradip C. Shah is interested in the resolution set out respectively at Item No. 6 of the Notice with regard to his respective appointments.

Mrs. Asha S. Mutreja, Mr. Varun S. Mutreja and Mr. Suresh N. Mutreja are interested in the resolution set out respectively at Item No. 5 & 7 of the Notice with regard to their respective appointments.

The relatives of Mrs. Asha S. Mutreja, Mr. Pradip C. Shah and Mr. Varun S. Mutreja are deemed to be interested in the resolutions set out respectively at Item No. 5, 6 & 7 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 Resolutions set out at Item No. 5, 6 & 7 of the Notice for approval by the shareholders.

ITEM NO. 8 & 9 - Appointment of Mr. Varun S. Mutreja as Chief Financial Officer (CFO) and Appointment of Mrs. Asha S. Mutreja as Whole-Time Director (WTD)

The Nomination and Remuneration Committee has recommended the appointment of Mr. Varun S. Mutreja as Chief Financial Officer of the Company. Accordingly, the Board of Directors at its meeting held on 14th November, 2014 has considered the appointment of Mr. Varun S. Mutreja, as Chief Financial Officer (CFO) of the Company for the period of 5 years w.e.f. 14th November, 2014.

The Nomination and Remuneration Committee has recommended the appointment of Mrs. Asha S. Mutreja as Whole-Time Director of the Company. Accordingly, the Board of Directors at its meeting held on 22nd May, 2015 has considered the appointment of Mrs. Asha S. Mutreja as Whole-Time Director of the Company for the period of 5 years w.e.f. 1st June, 2015.

The terms and conditions of their appointment are given below:

Sr. No.	Name of Director	Designation	Responsibility
1.	Mr. Varun S. Mutreja	Chief Financial Officer	Overall Finance, Banking, Accounts of the Company
2.	Mrs. Asha S. Mutreja	Whole-Time Director	Administration of the Head Office

A. REMUNERATION & PERQUISITES

Sr. No.	Name of Director	Designation	Remunaration & Perquisites
1.	Mr. Varun S. Mutreja	Chief Financial Officer	Not exceeding Rs.1,00,000/- per month and shall be eligible for increments as may be decided by the Board of Directors from time to time annually, if permissible as per the provisions of the Act.
2.	Mrs. Asha S. Mutreja	Whole-Time Director	Same as Above

The perquisites shall be classified by the Board of Directors from time to time.

B. INCREMENTS

The Board of Directors shall decide the increments payable to each Directors at the end of March, every year within the overall ceiling laid down in the Schedule V so that the total remuneration by way of salary, perquisites and other allowances including increments shall not exceed the ceiling provided in Part II of Schedule V to the said Act based on the effective capital for the respective financial year or such other amount and perquisites as may be provided in the said Schedule V as may be amended from time to time or any equivalent statutory re-enactment(s) thereof.

C. PERQUISITES

Non monetary ceiling perquisites

The following perquisites shall be payable to the two Directors and which shall not be included in the computation of the ceiling of remuneration as per Schedule V of the Companies Act, 2013.

i. Provident Fund:

The Company's contribution to Provident Fund, is as per the rules of the Company. Contribution to Provident Fund will not be included in the computation of the ceiling on perquisites to the extent it is not taxable under the Income Tax Act, 1961.

ii. Gratuity:

Gratuity not exceeding one-half months salary for each completed year of service.

iii. Superannuation:

Superannuation premium as applicable and to the extent it is not taxable under the provisions of the Income Tax Act, 1961.

iv. Leave Encashment:

Leave salary as per the rules of the Company and Encashment of Leave shall be at the end of the tenure.

D. MINIMUM REMUNERATION

The above remuneration and perquisites has been fixed on the basis of inadequate profits as per the audited balance sheet as on 31st March, 2014 and has been fixed as provided in Part II of Schedule V to the said Act based on the effective capital for the respective financial year or such other amount and perquisites as may be provided in the said Schedule V as may be amended from time to time or any equivalent statutory re-enactment(s) thereof and shall be considered as minimum remuneration.

During the tenure of their appointments, if the Company earns profits in excess of the limits prescribed under Schedule V or if the profits are adequate in any financial year, as per the provisions of Section 196, 197 and any other applicable provisions of the, Companies Act, 2013 then the remuneration of Mr. Varun S. Mutreja and Mrs. Asha S. Mutreja shall be paid as per the profits earned by the Company in that particular financial year.

E. OTHER CONDITIONS:

i. For all other terms and conditions not specifically spelt out above, the rules and order of the Company shall apply.

ii. The Chief Financial Officer and Whole Time Director hold office as such, subject to the provisions of Section 164 & 167 of the Companies Act, 2013.

iii. The appointment of Chief Financial Officer and Whole Time Director has been approved by the Nomination and Remuneration Committee of the Company.

The resolutions are being recommended for the approval of the members.

None of the Directors except Mr. Varun S. Mutreja and Mrs. Asha S. Mutreja are concerned or interested to the extent remuneration is payable to them. Mr. Suresh N. Mutreja is concerned or interested as relative of them.

The Board commends the Ordinary resolution set out at item no.8 for approval by shareholders.

ITEM NO. 10 - APPOINTMENT OF M/s. KEDIA & CO. AS COST AUDITOR

The Board on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s Kedia & Co., Cost Accountant (Regd. No.000198), as the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016 as set out in the resolution, excluding applicable taxes and out of pocket expenses, which shall be paid on actual basis.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item No. 10 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2016.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No. 10 of the Notice.

The Board commends the Ordinary Resolution set out at item No.10 of the Notice for approval by the shareholders.

ITEM NO. 11 - RELATED PARTY TRANSACTION

The company proposes to sell its unit situated at 1705, IIIrd Phase, GIDC, Vapi, Gujarat to M/s. L. N. Industries (Mr. Lalit N. Mutreja, Partner and is brother of Mr. Suresh N. Mutreja).

As per section 188(1)(b) read with section 2 (76) (iv) of the Companies Act, 2013 this transaction is between two related parties and hence must be executed at an arm's length price, and as per revised Clause 49 of the Listing Agreement, the transaction is between two related parties.

As per Section 188(1)(b) read with the Companies (Meetings of Board And Its Powers) Rules, 2014, any transaction for selling or otherwise disposing of or buying property of any kind directly or through appointment of agent, exceeding ten percent of the net worth of the Company or rupees one hundred crores, whichever is lower, requires approval of shareholders by passing special resolution. The sell of unit situated at 1705 is in excess of 10% of net worth of the Company. Accordingly, the sell of unit situated at 1705, IIIrd Phase, GIDC, Vapi, Gujarat to M/s. L. N. Industries (Mr. Lalit N. Mutreja, Partner and is brother of Mr. Suresh N. Mutreja) requires approval of shareholders.

In terms of Rule 15(3) of Companies (Meetings of Board and its powers) Rules, 2014, the following information has been provided for Related Party Transaction:

Particulars of Information	Answers
Name of the Related Party	Seller: M/s Valson Industries Limited Buyer: M/s. L. N. Industries
Name of the Director or Key Managerial Personnel who is related, if any	Mr. Suresh N. Mutreja, Mr. Varun S. Mutreja and Mrs. Asha S. Mutreja
Nature of Relationship	Mr. Suresh N. Mutreja and Mr. Lalit N. Mutreja (Partner of M/s. L. N. Industries) are Brothers
Nature, material terms, monetary value and particulars of the contract or arrangement	Nature: Sale Agreement for sale of 1705, IIIrd Phase, GIDC, Vapi, Gujarat Material Terms: The sale consideration is at arm's length and as per the valuation report of M/s. Madhav Consultancy Monetary Value: Rs. 2,88,57,950/- Particulars of Contract: As per Sale Agreement
Any other information relevant or important for the members to take a decision on the proposed resolution	All the material information has been provided.

The Audit Committee and the Board of Directors have considered sell of unit situated at 1705, IIIrd Phase, GIDC, Vapi, Gujarat to M/s. L. N. Industries (Mr. Lalit N. Mutreja, Partner and is brother of Suresh N. Mutreja) at their meeting and have approved the proposed sell of units.

The Members are further informed that no Member(s) of the Company being a related party or having interest in the Resolution as set out at item No. 11 hereinabove shall be entitled to vote on this Special Resolution.

The Board commends the Special Resolution set out at item No.11 of the Notice for approval by the shareholders.

Except Promoter Directors (to the extent of the Shareholding interest in the Company), Mr. Suresh N. Mutreja, Mrs. Asha S. Mutreja and Mr. Varun S. Mutreja, who are Directors/ Shareholders of the Company, no other Directors and KMP of the Company is concerned/interested financially or otherwise in the said Resolution.

By order of the Board
For Valson Industries Limited

Place: Mumbai
Dated: 22nd May, 2015

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

BOARD'S REPORT

TO THE MEMBERS OF
VALSON INDUSTRIES LIMITED

The Directors take pleasure in presenting the Thirty First Annual Report together with the audited financial statements for the year ended 31st March, 2015. The Management Discussion and Analysis has also been incorporated into this report.

1 FINANCIAL RESULTS : (Rs. in Lacs)

Particulars	Year ending 31.03.15	Year ending 31.03.14
Revenue from operations (net)	10627.19	10562.74
Operating Profit (PBIDT)	719.36	634.53
Finance Cost	122.42	184.48
Depreciation	306.82	241.15
Profit before Tax	290.12	208.89
Taxation	(74.84)	(53.44)
Profit after Tax	215.28	155.45
Balance of Profit brought forward	1041.42	972.68
Amount available for appropriations	**1256.70**	**1128.13**
Appropriations:		
Transfer to General Reserve	15.00	15.00
Dividend on Equity Shares	76.61	61.29
Dividend Tax on Equity Shares	15.68	10.42
Balance carried forward to Balance Sheet	1149.41	1041.42
Total	**1256.70**	**1128.13**
EPS (Basic & Diluted)	2.81	2.03

The Company proposes to transfer an amount of Rs 15.00 Lacs to the General Reserves. An amount of Rs. 76.61 Lacs is proposed to be retained in the Statement of Profit and Loss.

2. HIGHLIGHTS OF PERFORMANCE

- Total net sales for the year were Rs. 10627.19 Lacs as compared to Rs. 10562.74 Lacs in 2014.
- Total Export sales for the year were Rs. 861.54 Lacs as compared to Rs. 675.86 Lacs in 2014.

- Total other income for the year increased by 78.3% to Rs. 199.54 Lacs as compared to Rs. 111.90 Lacs in 2014.
- Total Operating profit for the year was Rs. 719.36 Lacs as compared to Rs. 634.53 Lacs in 2014
- The Finance cost has been reduced to Rs. 122.42 Lacs as compared to Rs. 184.48 Lacs in 2014.
- Total profit before tax for the year was Rs. 290.12 Lacs as compared to Rs. 208.89 Lacs in 2014
- Total profit after tax for the year was Rs. 215.28 Lacs as compared to Rs. 155.45 Lacs in 2014

3. BUSINESS OPERATIONS

The company is one of the leading manufacturers of Polyester Texturised Dyed Yarn and Processors of Cotton and other Fancy yarns with Customers having diverse uses. **Quality Products and Services** has been the top most priority and after continuous research and efforts, the company has ventured into the dyeing of various qualities of yarns. The Company today has wide range of Polyester Dyed Yarn with a strong market acceptance and niche position for exclusive shades and grades.

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

The company has done the consolidation and shifted its all plant and machinery to Silli units from the small units situated at D & N H which result into the saving on manpower cost, power cost, Administration cost and other miscellaneous cost.

The company has sold its Silvassa Unit 1 in month of February 2015 and in April 2015 the company has sold its Dadra unit.

During the financial year 2014-2015 the company has improved its performance in many ways:

1) There is a growth of 8.60% in Texturising Production (4781 MT) and 6.5% in Dyeing production (4588 MT) compare to last year.
2) The growth of 4% in the quantity sold compare to last year and also the growth of 12% the dyed yarn sale compare to last year.
3) The Export turnover has increased to 27.5% i.e. Rs. 861.54 Lacs compare to Last year Rs.675.86 Lacs.
4) The Company has repaid it's term loan and Deposits and manage the working capital efficiently which results in reduction in finance cost drastically to Rs. 122.43 Lacs from Rs. 184.48 Lacs (i.e. reduction of 34%).
5) As per the schedule II of the Companies Act 2013 there is changes in the depreciation calculation which result into increase of depreciation by 27% i.e. Rs. 306.82 Lacs from Rs. 241.15 Lacs.
6) The Operating profit of the company is 6.75% compare to last year 6.01% (i.e. growth of 12.25%).
7) The Net profit before Tax of the company is 2.73% compare to last year 1.98% (i.e. growth of 38 %).
8) The Net profit after Tax of the company is 2.03% compare to last year 1.47% (i.e. growth of 37.6 %).
9) The Return of Net worth of the company is 9.02% compare to last year 6.76% (i.e. growth of 33.5 %).

4. DIVIDEND

Your Directors are pleased to recommend a final dividend of Rs. 1/- per equity share of Rs. 10 each. The total outgo for the current year amounts to Rs. 92.29 Lacs, including dividend distribution tax of Rs.15.68 Lacs as against Rs. 71.70 Lacs including dividend distribution tax of Rs.10.42 Lacs in the previous year.

5. SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2015 was Rs. 766.08 Lacs. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. As on 31st March, 2015, the Directors of the Company hold the equity shares of the Company as follows:

Name of the Director	Number of Shares	% of Total Capital
Mr. Suresh N. Mutreja	15,87,000	20.72
Mrs. Asha S. Mutreja	6,19,000	8.08
Mr. Varun S. Mutreja	2,93,000	3.82
Mr. Chandan S. Gupta	Nil	Nil
Mr. Surendra Kumar Suri	400	0.0052
Mr. Pradip C. Shah	Nil	Nil

6. FINANCE

Cash and cash equivalent as at 31st March, 2015 was Rs. 24.78 Lacs. The Company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

6.1 DEPOSITS

The Company has not accepted deposits from Public. The Company has accepted deposit from the members and directors falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. The outstanding deposits as on 31st March, 2015 is Rs. 80.00 Lacs accepted from members and directors. There are no defaults in repayment of deposits and interest and no overdue deposits are outstanding as on 31st March, 2015.

6.2 PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

7. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

8. BUSINESS RISK MANAGEMENT

The nature of business is manufacturing of Dyed Yarn. The inherent risk to the business of the company is as follows:

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

All the above risk has been discussed in the Management Discussion and Analysis Report. The nature of risk is dynamic of business and entrepreneurship. The Company has not formed Risk Management Committee and considered it as optional item as prescribed under Clause 49 of Listing Agreement.

9. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Company monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

10. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

11. SUBSIDIARY COMPANIES

The Company has no Subsidiary Company.

12. DIRECTORS

In terms of the Articles of Association of the Company, Mr. Suresh N. Mutreja, Managing Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Pursuant to Section 149, 161(1) of the Companies Act, 2013 and Articles of Association of the Company, Mrs. Asha S. Mutreja was appointed as a Woman Director of the Company at the Board meeting held on 14th February, 2015. Mr. Pradip C. Shah was appointed as an Independent Director of the Company at the Board Meeting held on 14th February, 2015. Mr. Varun S. Mutreja was appointed as an Additional Director of the Company at the Board Meeting held on 14th November, 2014. In terms of provisions of Section 161(1) of the Act, Mrs. Asha S. Mutreja, Mr. Pradip C. Shah and Mr. Varun S. Mutreja would hold office up to the date of the ensuing Annual General Meeting. The Company has received notices in writing from members along with a deposit of requisite amount under Section 160 of the Act proposing the candidatture of Mrs. Asha S. Mutreja, Mr. Pradip C. Shah and Mr. Varun S.Mutreja for the office of Director of the Company.

The Company has also received declaration from Mr. Pradip C. Shah that he met 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.

The Company proposes to appoint Mrs. Asha S. Mutreja as a Woman Director under Section 149 of the Act and Clause 49 of the Listing Agreement, liable to retire by rotation. It is proposed to appoint Mr. Pradip C. Shah as an Independent Director under Section 149 of the Act and Clause 49 of the Listing Agreement who shall hold office for a term up to 5 (five) consecutive years on the Board of the Company and he shall not be included in the total number of directors for retirement by rotation. It is proposed to appoint Mr. Varun S. Mutreja as a Director under Section 152 of the Act and Clause 49 of the Listing Agreement, liable to retire by rotation and the resolution number 5, 6 & 7 has been included in the notice for the same.

The Nomination and Remuneration Committee has recommended the appointment and payment of remuneration to Mr. Varun S. Mutreja as Chief Financial Officer and Mrs. Asha S. Mutreja as Whole-Time Director of the Company. The Board of Directors proposes to appoint Mr. Varun S. Mutreja as Chief Financial Officer and Mrs. Asha S. Mutreja as Whole-Time Director of the Company and Resolution No.8 & 9 has been included in the notice respectively.

12.1 Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholders' Relationship Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

12.2 Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

12.3 Meetings

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

During the year four Board Meetings and four Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

13. DIRECTORS' RESPONSIBILITY STATEMENT

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

a) that in the preparation of the annual financial statements for the year ended 31st March, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) that such accounting policies as mentioned in Note 2 of the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the profit of the Company for the year ended on that date;

c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) that the annual financial statements have been prepared on a going concern basis;

e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.

f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

14. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. However, the Company proposes to sale of 1705, IIIrd Phase, GIDC, Vapi, Gujarat to M/s. L. N. Industries (Mr. Lalit N. Mutreja, Partner and is brother of Mr. Suresh N. Mutreja) for consideration of Rs. 2,88,57,950/- which exceeds the limits /criteria as mentioned in the Act and SEBI Circulars. The necessary items for approval of members have been included in item No.11 of the notice.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained on yearly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are at arm's length and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.

As required under Section 134(3)(h) read with Rule 8(2) of Companies (Accounts) Rules, 2014, the details of Related Party Transactions is given in Form AOC-2 as "Annexure A" to the Directors Reports.

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

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

16. AUDITORS

16.1 Statutory Auditors

The Company's Auditors, M/s Mehta Chokshi & Shah, Chartered Accountants, Mumbai who retire at the ensuing Annual General Meeting of the Company are eligible for reappointment. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed there under for reappointment as Auditors of the Company. As required under Clause 49 of the Listing Agreement, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Members' attention is invited to the observation made by the Auditors under "Emphasis of Matter" appearing in the Auditors Reports.

16.2 Secretarial Audit

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

16.3 Qualifications in Secretarial Audit Report

1. As per section 203(1)(ii), the Company is require to appoint Company Secretary. *The Company has not appointed Company Secretary.*

Management Response:

(i) The Company has appointed Mr. Pritesh H. Shah, Chartered Accountant as Compliance Officer of the Company who looks after the compliance of Companies Act, 2013 and SEBI Act and rules made thereunder.

(ii) The Company has avail the services of Practising Company Secretary for advising on compliance of Companies Act, 2013 and SEBI Act and rules made there under.

(iii) The Volume and Scope of work for the Company Secretary is less and it is not a full time work and the job of Company Secretary is not attractive commensurate with the scope of work and salary.

17. ENHANCING SHAREHOLDERS VALUE

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

18. CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report.

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

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

20. EXTRACT OF ANNUAL RETURN

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

21. PARTICULARS OF EMPLOYEES

There is no employee in the Company drawing monthly remuneration of Rs. 5 Lacs per month or Rs.60 Lacs per annum. Hence the Company is not required to disclose any information as per Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

22. REMUNERATION RATIO OF THE DIRECTORS/ KEY MANAGERIAL PERSONNEL (KMP)/ EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 (1) (i) of The Companies (Appointment and Remuneration) Rules, 2014 in respect of ratio of remuneration of each director to the median remuneration of the employees of the Company for the Financial Year are as follows

Sr. No.	Name of the Director	Designation	Remuneration Per Annum (Rs. In Lacs)
1.	Mr. Suresh N Mutreja*	Managing Director	18.24
2.	Mr. Varun S Mutreja*	Chief Financial Officer	7.05#
3.	Mr. Kunal S Mutreja	Chief Executive Officer	7.30

* includes the PF Employer's contribution

Total remuneration is Rs. 7.05 Lacs which includes Rs. 3.65 Lacs as Salary till Oct 2014 and Rs. 3.40 Lacs as Director's remuneration, as he was appointed as an additional director on 14.11.2014.

23. ACKNOWLEDGEMENTS

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

24. CAUTIONARY STATEMENT

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

For and on behalf of the Board of Directors

Mumbai
Date: 22nd May, 2015

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

(Mr. Varun S. Mutreja)
Chief Financial Officer

(Mr. Kunal S. Mutreja)
Chief Executive Officer

ANNEXURE 'A' TO BOARD'S REPORT

RELATED PARTY TRANSACTIONS
FORM AOC-2
[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:

1	**Details of contracts or arrangements or transactions not at arm's length basis**	
a.	Name(s) of the related party and nature of relationship	N.A.
b.	Nature of contracts/arrangements/transactions	N.A.
c.	Duration of the contracts / arrangements/transactions	N.A.
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	N.A.
e.	Justification for entering into such contracts or arrangements or transactions	N.A.
f.	date(s) of approval by the Board	N.A.
g.	Amount paid as advances, if any:	N.A.
h.	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	N.A.
2(a)	**Details of material contracts or arrangement or transactions at arm's length basis**	**Lease of Premises at Amli DNH**
a.	Name(s) of the related party and nature of relationship	Lessor: M/s Valson Industries Limited Lessee: M/s. Dhanlakshmi Textile Private Limited Nature of Relationship: Mr. Suresh N. Mutreja and Mr. Lalit N. Mutreja are relatives of Mr. Akash S. Mutreja and Mr.Nitesh N. Mutreja, who are the Directors of Dhanlakshmi Textile Private Limited.
b.	Nature of contracts/arrangements/transactions	Nature & Particulars: Lease of building area 8,500 sq ft located at Plot No. 8 and 9, 66 KVA Road, Amli, DNH at a lease rent of Rs. 68,000/- per month.
c.	Duration of the contracts / arrangements/transactions	1st June, 2012 to 31st May, 2015
d.	Salient terms of the contracts or arrangements or transactions including the value, if any:	Lease Agreement dated 4th June, 2012 Lock In Period: 12 months Lessee to carry out day to day maintenance at its own cost.
e.	Date(s) of approval by the Board, if any:	30th May, 2014
f.	Amount paid as advances, if any:	Rs. 50,000/- Interest Free Security Deposit

2(b)	**Details of material contracts or arrangement or transactions at arm's length basis**	**Lease of Premises at Vapi**
a.	Name(s) of the related party and nature of relationship	Lessor: M/s Valson Industries Limited Lessee: M/s. ASM Packaging Nature of Relationship: Mr. Suresh N. Mutreja and Mr. Lalit N. Mutreja are relatives of Mr. Ankit S. Mutreja, who is a proprietor of ASM Packaging.
b.	Nature of contracts/arrangements/transactions	Nature and Particulars: Lease of building area 2,000 sq ft located at Plot No. 1705, GIDC, Phase III, Vapi, Gujarat, 396195 at a lease rent of Rs. 25,000/- per month Plus reimbursement of Electricity Charges.
c.	Duration of the contracts / arrangements/transactions	1st June, 2012 to 31st May, 2015
d.	Salient terms of the contracts or arrangements or transactions including the value, if any:	Lease Agreement dated 18th June, 2012. Lock In Period: 12 months Lessee to carry out day to day maintenance at its own cost.
e.	Date(s) of approval by the Board, if any:	30th May, 2014
f.	Amount paid as advances, if any:	Rs. 50,000/- Interest Free Security Deposit
2(c)	**Details of material contracts or arrangement or transactions at arm's length basis**	**Arrangement To Procure Paper Tubes**
a.	Name(s) of the related party and nature of relationship	Purchaser: M/s Valson Industries Limited Jobwork: M/s. ASM Packaging Nature of Relationship: Mr. Suresh N. Mutreja and Mr. Lalit N. Mutreja are relatives of Mr. Ankit S.Mutreja, who is a proprietor of ASM Packaging.
b.	Nature of contracts/arrangements/transactions	Nature & Particulars: VIL will purchase the paper and send the same to ASM Packaging on jobwork basis for making of paper tubes. The specification for making paper tube will be provided by VIL. The purchase order will also be issued by VIL.
c.	Duration of the contracts / arrangements/transactions	1st April, 2014 to 31st March, 2015
d.	Salient terms of the contracts or arrangements or transactions including the value, if any:	Value* of Paper Tubes that will be ordered: 57 MM Paper Tubes: Rs. 70,00,000/- 69 MM Paper Tubes: Rs. 30,00,000/- Labour Charges* that will be paid: 57 MM Paper Tubes: Rs. 10,00,000/- 69 MM Paper Tubes: Rs. 5,00,000/- *+/- 10% is expected.
e.	Date(s) of approval by the Board, if any:	30th May, 2014
f.	Amount paid as advances, if any:	Nil

2(d)	**Details of material contracts or arrangement or transactions at arm's length basis.**	**Sale of Unit No. 1705, IIIrd Phase, GIDC, Vapi**
a.	Name(s) of the related party and nature of relationship	Seller: M/s Valson Industries Limited Buyer: M/s. L. N. Industries Nature of Relationship: Mr. Suresh N. Mutreja and Mr. Lalit N. Mutreja (Partner of M/s. L. N. Industries) are brothers, Promoters and Directors of the Company
b.	Nature of contracts/arrangements/transactions	Nature: Sale Agreement for sale of 1705, IIIrd Phase, GIDC, Vapi, Gujarat at a consideration of Rs. 2,88,57,950/-
c.	Duration of the contracts / arrangements/transactions	N.A.
d.	Salient terms of the contracts or arrangements or transactions including the value, if any:	Sale Agreement for sale of 1705, IIIrd Phase, GIDC, Vapi, Gujarat at a consideration of Rs. 2,88,57,950/-. The sale consideration is an arm's length as per the valuation report of M/s. Madhav Consultancy
e.	Date(s) of approval by the Board, if any:	
f.	Amount paid as advances, if any:	Nil
2(e)	**Details of material contracts or arrangement or transactions at arm's length basis**	**Sale of Silvassa Unit 1**
a.	Name(s) of the related party and nature of relationship	Seller: M/s Valson Industries Limited Buyer: Mr. Dharmendra N. Mutreja - Brother Mr. Nitesh N. Mutreja - Nephew Mrs. Rita S. Mutreja - Sister in law Mrs. Kajal L. Mutreja - Sister in law
b.	Nature of contracts/arrangements/transactions	Nature: Sale Agreement for sale of 8/9 Silvassa Industrial Co-op Hsg. Soc. Ltd. Near 66 KVA Sub Station Road, Village Amli, Silvassa, UT Dadra & Nagar Haveli at a consideration of Rs. 92,00,000/-
c.	Duration of the contracts / arrangements/transactions	N.A.
d.	Salient terms of the contracts or arrangements or transactions including the value, if any:	Sale Agreement for sale of of 8/9 Silvassa Industrial Co-op Hsg. Soc. Ltd. Near 66 KVA Sub Station Road, Village Amli, Silvassa, UT Dadra & Nagar Haveli at a consideration of Rs. 92,00,000/-. The sale consideration is an arms length as per the valuation report of M/s. Madhav Consultancy
e.	Date(s) of approval by the Board, if any:	14th August, 2014
f.	Amount paid as advances, if any:	Nil
2(f)	**Details of material contracts or arrangement or transactions at arm's length basis**	**Appointment of Mr. Kunal S. Mutreja as Chief Executive Officer**

a.	Name(s) of the related party and nature of relationship	Mr. Suresh N. Mutreja - Father Mr. Varun S. Mutreja - Brother Mr. Kunal S. Mutreja - Son of Mr. Suresh N. Mutreja and Brother of Mr. Varun Mutreja
b.	Nature of contracts/arrangements/transactions	Appointment as Chief Executive Officer (CEO)
c.	Duration of the contracts / arrangements/transactions	The contract of employment is perpetual.
d.	Salient terms of the contracts or arrangements or transactions including the value, if any:	To act as Chief Executive Officer and looks after dyeing production and jobwork sales of the company at a monthly salary not exceeding of Rs.1,00,000/-
e.	Date(s) of approval by the Board, if any:	14th November, 2014
f.	Amount paid as advances, if any:	Nil

For and on behalf of the Board of Directors

Place : Mumbai
Date : 22nd May, 2015

Mr. Suresh N. Mutreja
Chairman & Managing Director

ANNEXURE 'B' TO BOARD'S REPORT

SECRETARIAL AUDIT REPORT
FORM NO. MR-3
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

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

To,
The Members,
Valson Industries Limited

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

Based on my verification of the books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
   (d) The Securities Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999; **(Not Applicable to the Company during audit period).**
   (e) The Securities Exchange Board of India (Issue and Listing of Debt Securities), Regulations, 2008. **(Not Applicable to the Company during audit period).**
   (f) The Securities Exchange Board of India (Registrar to an Issue and Share Transfer Agent), Regulations, 1993. Regarding the Companies Act, 2013 and dealing with the clients.
   (g) The Securities Exchange Board of India (Delisting of Equity Shares), Regulations, 2009. **(Not Applicable to the Company during audit period).**
   (h) The Securities Exchange Board of India (Buyback of Securities), Regulations, 1998. **(Not Applicable to the Company during audit period).**

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India **(Not notified hence not applicable to the Company during the audit period).**

(ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange.

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

A. Appointment of Company Secretary:

As per section 203(1)(ii), the Company is required to appoint Company Secretary. The Company has not appointed Company Secretary. In this regard the management of the Company has provided the following reply:

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

ii. The Company has availed of the services of Practicing Company Secretary for advise on the compliance of the Companies Act, 2013 and the SEBI Act and rules made there under.

iii. The Volume and Scope of work for the Company Secretary is less and it is not a full time work and the job of Company Secretary is not attractive commensurate with the scope of work and salary

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
I further report that during the audit period the Company has passed following special/ordinary resolutions which are having major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. :

1. Increase in borrowing limits under Section 180(1)(c) of the Companies Act, 2013.
2. Sell, lease or dispose off whole or substantially the whole of the undertaking under Section 180(1)(a) of the Companies Act, 2013.
3. Accept or renew any unsecured deposits from its members under Section 73(2) of the Companies Act, 2013.

I further report that during the audit period, there were no instances of:

1. Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
2. Redemption / buy-back of securities
3. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
4. Merger / amalgamation / reconstruction, etc.
5. Foreign technical collaborations

Signature:
Punit Shah

Place: Mumbai
Date: May 22, 2015.

Practicing Company Secretary
ACS No. 20536 C P No.: 7506

ANNEXURE 'C' TO BOARD'S REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

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

FORM A

(A) Power and Fuel Consumption:

1. Electricity		**Current Year 31.03.2015**	Previous Year 31.03.2014
(i) Purchased:			
Avg. Unit Rate	(Rs./KWH)	**5.28**	5.02
Units	(KWH/Lacs)	**125.44**	136.96
Total Amount	(Rs. in Lacs)	**662.90**	687.55
(ii) Own Generation through D. G. Sets:			
Unit Rate	(Rs./KWH)	**20.70**	19.01
Units	(KWH/Lacs)	**0.29**	0.44
Total Amount	(Rs. in Lacs)	**5.93**	8.41

2. Coal		**Current Year 31.03.2015**	Previous Year 31.03.2014
Qty.	(M. Tons)	**4843.15**	5464.18
Total Cost	(Rs. in Lacs)	**269.12**	304.92
Avg. Rate	(Rs./MT)	**5556.68**	5580.27

3. Furnace Oil Not Applicable

(B) Consumption per Unit of Production:

	Current Year 31.03.2012	Previous Year 31.03.2011
Electricity (KWH per Tonne of Yarn)	**2630.61**	3121.85
Coal (MT per Tonne of Yarn)	**1.06**	1.27

Form B

(I) Developement

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

Mr. Suresh N. Mutreja
Chairman & Managing Director

Place: Mumbai
Date: 22nd May, 2015

ANNEXURE 'D' TO BOARD'S REPORT

EXTRACT OF ANNUAL RETURN

As on the financial year ended 31.03.2015

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

FORM NO. MGT - 9

I. REGISTRATION AND OTHER DETAILS

CIN	L17110MH1983PLC030117
Registration Date	2nd June, 1983
Name of the Company	VALSON INDUSTRIES LIMITED
Category / Sub-Category of the Company	Company limited by Shares
Address of the Registered Office and contact details	28, Bldg.No.6, Mittal Industrial Estate, Sir M. V. Road, Andheri (E), Mumbai - 400059 Tel. No. 022 40661000 Fax No. 022 40661199
Whether listed company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (West), Mumbai - 400078. Tel: 022 25963838

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoters (1) Indian									
a) Individual/HUF	3756200	0	3756200	49.03	4124500	0	4124500	53.84	4.81
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
e) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other…	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total(A) (1):	**3756200**	**0**	**3756200**	**49.03**	**4124500**	**0**	**4124500**	**53.84**	**4.81**
(2) Foreign									
a) NRIs- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) QFI	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks/ FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other….	0	0	0	0.00	0	0	0	0.00	0.00
Sub- Total (A) (2):	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	**3756200**	**0**	**0**	**49.03**	**4124500**	**0**	**4124500**	**53.84**	**4.81**
B. Public Shareholding									
(1) Institutions a) Mutual Funds/UTI	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) QFI	0	0	0	0.00	0	0	0	0.00	0.00
j) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (B)(1):	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**

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

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
(2) Non-Institutions a) Bodies Corporate									
i) Indian	126484	0	126484	1.65	168971	0	168971	2.21	0.56
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 Lac	1585299	147910	1733209	22.62	14281300	146610	1574740	20.56	-2.06
ii)Individual shareholders holding nominal share capital in excess of Rs. 1 Lac	1568151	0	1568151	20.47	13438266	0	1343826	17.54	-2.93
c) QFI	0	0	0	0.00	0	0	0	0.00	0.00
d) Others (specify)									
i) Shares held by Pakistani citizens vested with the Custodian of Enemy Property	0	0	0	0.00	0	0	0	0.00	0.00
ii) Other Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0.00
iii) Foreign Bodies	0	0	0	0.00	0	0	0	0.00	0.00
iv) NRI/ OCBs	116978	0	116978	1.51	116650	0	116650	1.52	-0.01
v) Clearing Members/ Clearing House	15248	0	15248	0.20	25358	0	25358	0.33	0.13
vi) Hindu Undivided Family	344168	0	344168	4.49	306394	0	306394	4.00	-0.49
vii) Market Makers	362	0	362	0.01	361	0	361	0.01	0.00
viii) Limited Liability Partnership	0	0	0	0.00	0	0	0	0.00	0.00
ix) Foreign Portfolio Investor (Corporate)	0	0	0	0.00	0	0	0	0.00	0.00
x) Qualified Foreign Investors	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (B)(2):	**3756690**	**147910**	**3904600**	**50.96**	**3389690**	**146610**	**3536300**	**46.16**	**-4.80**
Total Public Shareholding Public Group (B)= (B)(1)+(B)(2)	**3756690**	**147910**	**3904600**	**50.96**	**3389690**	**146610**	**3536300**	**46.16**	**-4.80**
Total (A) + (B)	**7512890**	**147910**	**7660800**	**100.00**	**7514190**	**146610**	**7660800**	**100.00**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Grand Total (A+B+C)	**7512890**	**147910**	**7660800**	**100.00**	**7514190**	**146610**	**7660800**	**100.00**	**0.00**

ii) Shareholding of Promoters

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of Shares	% of total shares of the Company	% of Shares Pledged/ encumbered to total shares shares	No. of Shares	% of total shares of the Company	% of Shares Pledged/ encumbered to total shares shares	
Suresh N. Mutreja	702000	9.16	0.00	1587000	20.72	0.00	11.56
Lalit N. Mutreja	657100	8.58	0.00	0	0.00	0.00	-8.58
Kunal S. Mutreja	378100	4.94	0.00	757000	9.88	0.00	4.94
Asha S. Mutreja	369000	4.82	0.00	619000	8.08	0.00	3.26
Lalit N. Mutreja (HUF)	304000	3.97	0.00	0	0.00	0.00	-3.97
Sheeladevi N. Mutreja	302200	3.94	0.00	0	0.00	0.00	-3.94
Kajal L. Mutreja	301800	3.94	0.00	0	0.00	0.00	-3.94
Varun S. Mutreja	258000	3.37	0.00	293000	3.82	0.00	0.45
Suresh N. Mutreja (HUF)	198100	2.59	0.00	450200	5.88	0.00	3.29
Ankit S. Mutreja	148800	1.94	0.00	148800	1.94	0.00	0.00
Nanakchand D. Mutreja (HUF)	92500	1.21	0.00	92500	1.21	0.00	0.00
Rashi L. Mutreja	44600	0.58	0.00	0	0.00	0.00	-0.58
Tina K. Mutreja	0	0.00	0.00	117000	1.53	0.00	1.53
Kunal S. Mutreja (HUF)	0	0.00	0.00	60000	0.78	0.00	0.78
Total	**3756200**	**49.04**	**0.00**	**4124500**	**53.84**	**0.00**	**4.80**

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

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Suresh N. Mutreja				
At the beginning of the year	702000	9.16		
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	456800 (23/06/14)	5.96		
	302200 (04/07/14)	3.94		
	126000 (03/09/14)	1.64		
At the end of the year			1587000	20.72

Shareholding at the beginning of the year			Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Lalit N. Mutreja				
At the beginning of the year	657100	8.58		
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-657100 (23/06/14)	8.58		
At the end of the year			Nil	Nil
Kunal S. Mutreja				
At the beginning of the year	378100	4.93		
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	348600 (23/06/14) 30300 (03/09/14)	4.55 0.4		
At the end of the year			757000	9.88
Kunal S. Mutreja (HUF)				
At the beginning of the year	Nil	Nil		
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	60000 (03/09/14)	0.78		
At the end of the year			60000	0.78
Lalit N. Mutreja (HUF)				
At the beginning of the year	304000	3.97		
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-304000 (23/06/14)	3.97		
At the end of the year			Nil	Nil
Sheeladevi N. Mutreja				
At the beginning of the year	302200	3.94		
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-302200 (04/07/14)	3.94		
At the end of the year			Nil	Nil

Shareholding at the beginning of the year			Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Kajal L. Mutreja				
At the beginning of the year	301800	3.94		
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-301800 (23/06/14)	3.94		
At the end of the year			Nil	Nil
Asha S. Mutreja				
At the beginning of the year	369000	4.81		
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	250000 (23/06/14)	3.26		
At the end of the year			619000	8.08
Suresh N. Mutreja (HUF)				
At the beginning of the year	198100	2.58		
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	252100 (23/06/14)	3.29		
At the end of the year			450200	5.87
Tina K. Mutreja				
At the beginning of the year	Nil	Nil		
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	117000 (03/09/14)	1.53		
At the end of the year			117000	1.53
Varun S. Mutreja				
At the beginning of the year	258000	3.37		
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	35000 (03/09/14)	0.45		
At the end of the year			293000	3.82

Shareholding at the beginning of the year			Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Ankit S. Mutreja				
At the beginning of the year	148800	1.94		
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	Nil	Nil		
At the end of the year			148800	1.94
Nanakchand D. Mutreja (HUF)				
At the beginning of the year	92500	1.21		
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	Nil	Nil		
At the end of the year			92500	1.21
Rashi L. Mutreja				
At the beginning of the year	44600	0.58		
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease	-44600	0.58		
(e.g. allotment/transfer/bonus/sweat equity etc)	(23/06/14)			
At the end of the year			Nil	Nil

Note:

1. 1307500 Equity Shares inter-se transfer by Mr. Lalit N. Mutreja and his family members to Mr. Suresh N. Mutreja and his family members due to exit of Mr. Lalit N. Mutreja as Promoter of the Company. All the parties have complied with applicable disclosures requirements and conditions specified under Regulation 10(1)(a) of Takeover Code Regulation.
2. 302200 Equity Shares has been gifted by Mrs. Sheeladevi N. Mutreja to Mr. Suresh N. Mutreja. All the parties have complied with applicable disclosures requirements and conditions specified under Regulation 10(1)(a) of Takeover Code Regulation.
3. 368300 Equity Shares has been purchased from the Open Market and have complied with applicable disclosures requirements.

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Mr. Dharmendra N. Mutreja	216300	2.82	0	0.00
2.	Mrs. Seema D. Mutreja	201168	2.63	201168	2.63
3.	Mrs. Malka N. Mutreja	194609	2.54	194609	2.54
4.	Mr. Sunil N. Mutreja	194564	2.54	209564	2.74
5.	Mr. Nandlal N. Mutreja (HUF)	169200	2.21	169200	2.21
6.	Mr. Nitesh N. Mutreja	158682	2.07	158682	2.07
7.	Mr. Akash D. Mutreja	117000	1.53	0	0.00
8.	Mr. Madan Bhagchand Melwani	107518	1.40	107518	1.40
9.	Mr. Sunil N. Mutreja (HUF)	107200	1.40	107200	1.40
10.	Mrs. Rita S. Mutreja	88993	1.16	88993	1.16
11.	Mrs. Kalpana Gupta	0	0.00	49000	0.64
12.	Mrs. Dhanalakshmi Sridhar	0	0.00	47962	0.63

v) Shareholding of Directors and Key Managerial Personnel

For each of the Directors	Shareholding at the beginning of the year		Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	Promoter Director Shareholding and their changes has already been given in the earlier table. Mr. Chandan S. Gupta and Mr. Pradip C. Shah (Independent Directors) do not hold any shares in the Company. Mr. Surendra Kumar Suri holds only 400 Shares at the beginning and at the end of the year.			
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer /bonus/sweat equity etc)				
At the end of the year				
	Name of the Key Managerial Personnel			
For each of the KMP	**Shareholding at the beginning of the year**		**Shareholding during the year**	
	No. of Shares	**% of total shares of the Company**	**No. of Shares**	**% of total shares of the Company**
At the beginning of the year				
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer /bonus/sweat equity etc)		**NIL**		
At the end of the year				

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs. In Lacs)

	Secured Loans excluding deposits	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year			
i) Principal Amount	678.52	159.00	837.52
ii) Interest due but not paid	2.33	NIL	2.33
iii) Interest accrued but not due			
Total (i+ii+iii)	680.85	159.00	839.85
Change in Indebtedness during the financial year			
Addition	NIL	30.00	30.00
Reduction	(189.66)	(109.00)	298.66
Net Change	(189.66)	(79.00)	(268.66)
Indebtedness at the end of the financial year			
i) Principal Amount	488.86	80.00	568.86
ii) Interest due but not paid	1.63	NIL	1.63
iii) Interest accrued but not due	NIL	NIL	NIL
Total (i+ii+iii)	**490.49**	**80.00**	**570.49**

VI. REMUNARATION OF DIRECTOR AND KEY MANAGERIALPERSONNEL

A. Remunaration to Managing Director, Whole-time Director and/ or Manager.

Sr. No.	Particulars of Remuneration	Mr. Suresh N. Mutreja - MD	Mr. Lalit N. Mutreja Former ED*	Mr. Varun S. Mutreja - CFO**	Total Amount (in Lacs)
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	15.00	8.00	3.25	26.25
	(b) Value of perquisites under Section 17(2) income Tax Act, 1961	2.23	6.75	-	8.98
	(c) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2.	Stock Options	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission	NIL	NIL	NIL	NIL
	- as % of profit	NIL	NIL	NIL	NIL
	- others, specify…..				
5.	Others, please specify (Providend Fund)				
	i. Deferred bonus (pertaining to the current financial year payable in 2018)				
	ii. Retirals	1.01	0.43	0.15	1.59
	TOTAL (A)	18.24	15.18	3.40	36.82

* up to 14th November, 2014

** Total remuneration of Mr. Varun S. Mutreja is Rs. 7.05 lacs which includes Rs. 3.65 Lacs as Salary till Oct 2014 and Rs. 3.40 lacs as Director's remuneration, as he was appointed as an additional director on 14th November, 2014.

B. Remuneration to other Directors:

1. Independent Directors

Particulars of Remuneration	Name of Director				Total Amount (Rs. in Lacs)
	Mr. Chandan S. Gupta	Mr. Surendra Kumar Suri	Mr. Pradip C. Shah*	Director retired during the year	
- Fee for attending Board / Committee Meetings	0.75	0.75	-	-	1.50
- Commission	-	-	-	-	-
- Others, please specify	-	-	-	-	-
Total (B)(1)	0.75	0.75	-	-	1.50

*appointed w.e.f. 14th February, 2015

2. Other Non Executive Directors

Particulars of Remuneration	Name of Director			Total Amount (Rs. in Lacs)
	NIL	NIL	Director retired during the year	
- Fee for attending Board / Committee Meetings	-	-	-	-
- Commission	-	-	-	-
- Others, please specify	-	-	-	-
Total (B)(2)	-	-	-	-
Total (B) = (B)(1) + (B)(2)	-	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		Mr. Kunal S. Mutreja Chief Executive Officer	Mr. Pritesh H. Shah Head Compliance	Mr. Varun S. Mutreja* President	Total Amount (Rs. in Lacs)
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	7.30	7.46	3.65	18..41
	(b) Value of perquisites under Section 17(2) income Tax Act, 1961	-	-	-	-
	(c) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock Options	-	-	-	-
3	Sweat Equity	-	-	-	-

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		Mr. Kunal S. Mutreja Chief Executive Officer	Mr. Pritesh H. Shah Head Compliance	Mr. Varun S. Mutreja* President	Total Amount (Rs. in Lacs)
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify…..	-	-	-	-
5	Others, please specify - Retirals	-	-	-	-
	TOTAL (C)	7.30	7.46	3.65	18.41

* Appointed as an additional Director w.e.f. 14th November, 2014.

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

CORPORATE GOVERNANCE REPORT
Under Clause 49 (X) (A) of Listing Agreement
For The Financial Year 31st March, 2015

The Director present the Company's Report on Corporate Governance for the year ended March 31, 2015.

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

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

The Company complies with all statutory and regulatory requirements on corporate governance and has constituted the requisite committees to look into issues of financial reporting, investor grievance and executive remuneration. This attitude of Valson has strengthened the bond of trust with its stakeholders including the society at large.

GOVERNANCE STRUCTURE

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

Board of Directors -

The Valson Board plays a pivotal role in ensuring that the Company runs on sound and ethical business practices and that its resources are utilized for creating sustainable growth and societal wealth. The Board operates within the framework of a well defined responsibility matrix which enables it to discharge its fiduciary duties of safeguarding the interest of the Company; ensuring fairness in the decision making process, integrity and transparency in the Company's dealing with its Members and other stakeholders.

Committee of Directors -

With a view to have a more focused attention on various facets of business and for better accountability, the Board has constituted the following committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee. Each of these Committees has been mandated to operate within a given framework.

Management Structure-

Management structure for running the business as whole is in place with appropriate delegation of powers and responsibilities to the functional heads. The Managing Director and CFO are in overall control and responsible for day-to-day working of the Company. They give strategic direction, lay down policy guidelines and ensure implementation of the Board of Directors and its various committees.

II. BOARD OF DIRECTORS

i) Composition and Category of Directors:

The Board consists of 6 Directors, out of which 3 are Independent Directors. Composition of the Board and category of Directors are as follows:

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

* Appointed as an Additional Director w.e.f. 14.11.2014
** Resigned as Director w.e.f. 14.11.2014
# Appointed as an Additional Director w.e.f. 14.02.2015

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.

Board Training and Induction

At the time of appointing a Director, a formal letter of appointment is given to him / her, which inter alia explains the role, function, duties and responsibilities expected of him / her as a Director of the Company. The Director is also explained in detail the compliances required from him / her under the Companies Act, Clause 49 of the Listing Agreement and other relevant regulations and his affirmation taken with respect to the same. The CEO & MD also has a one-to-one discussion with the newly appointed Director. The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him /her to effectively fulfill his / her role as a Director of the Company.

ii) Board Meetings held during the Year

Dates on which the Board Meetings were held	Total Strength of the Board	No. of Directors Present
30th May, 2014	04	04
14th August, 2014	04	04
14th November, 2014	04	04
14th February, 2015	04	04

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

Date of Board Meetings	Mr. Suresh N. Mutreja	Mr. Varun S. Mutreja	Mr. Lalit N. Mutreja	Mr. Chandan S. Gupta	Mr. Surendra Kumar Suri
30th May, 2014	Present	NA	Present	Present	Present
14th August, 2014	Present	NA	Present	Present	Present
14th November, 2014	Present	Present	NA	Present	Present
14th February, 2015	Present	Present	NA	Present	Present
Total Attendance (out of 4 Board Meetings)	4	2	2	4	4
Attendance at Last AGM	Present	Present	NA	Present	Present

iii) a. Number of other Companies where director (of VIL) hold memberships on the Board of Directors:

b. Number and Name of Committees in which the Directors (of VIL) hold Memberships or Chairmanships:

Name of Director	No. of Directorship held in Indian Public Limited Companies including Valson	Number & Name of Committee Memberships / Chairmanships			
		Chairman	No.	Member	No.
Mr. Suresh N. Mutreja	1	SRC - VIL **	1	Nil	0
#Mr. Lalit N. Mutreja	1	Nil	0	AC - VIL* SRC - VIL**	1
Mr. Chandan S. Gupta	1	AC - VIL *	1	Nil	0
Mr. Surendra Kumar Suri	1	Nil	0	AC - VIL* SRC - VIL**	1
$Mr. Varun S. Mutreja	1	Nil	0	AC - VIL* SRC - VIL**	1
@Mrs. Asha S. Mutreja	1	Nil	0	Nil	0
@Mr. Pradip C. Shah	2	Nil	0	AC - VIL*	1

***AC - VIL**	**Audit Committee - Valson Industries Limited**
**** SRC - VIL**	**Stakeholders' Relationship Committee - Valson Industries Limited**

Resigned as Director w.e.f. 14.11.2014
$ Appointed as Additional Director w.e.f. 14.11.2014
@ Appointed as Additional Director w.e.f. 14.02.2015

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

The Board periodically reviews the items required to be placed before it and in particular reviews and approves quarterly/half yearly unaudited financial statements and the audited annual financial statements, corporate strategies, business plans, annual budgets, projects and capital expenditure. It monitors overall operating performance, and reviews such other items which require Board's attention. It directs and guides the activities of the Management towards the set goals and seeks accountability. It also sets standards of corporate behavior, ensures transparency in corporate

dealings and compliance with laws and regulations. The Agenda for the Board Meeting covers items set out as guidelines in Clause 49 of the Listing Agreement to the extent these are relevant and applicable. All agenda items are supported by relevant information, documents and presentations to enable the Board to take informed decisions.

III. COMMITTEES OF THE BOARD

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

A. AUDIT COMMITTEE

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Clause 49 of the Listing Agreement. Some of the important functions performed by the Committee are:

Financial Reporting and Related Processes

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

Internal Controls and Governance Processes

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

Audit

- Review the scope of the Statutory Auditors, the annual audit plan and the Internal Audit Plan with a view to ensure adequate coverage.
- Review the significant audit findings from the statutory and internal audits carried out, the recommendations and Management's response thereto.
- Review and recommend to the Board the appointment/re-appointment of the Statutory Auditors and Cost Auditors considering their independence and effectiveness and their replacement and removal.

- Approve such additional services to be rendered by the Statutory Auditors except those enumerated in Section 144 of the Companies Act, 2013 and payment for such services.
- To recommend to the Board the remuneration of the Statutory Auditors/Cost Auditors.
- To discuss with the Statutory Auditors/Chief Internal Auditors any significant difficulties encountered during the course of the Audit.
- Review Annual Cost Audit Report submitted by the Cost Auditor.

Other Duties

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

The Audit Committee has been reconstituted on 14-11-2014, comprising of Mr. Chandan S. Gupta as Chairman; Mr. Surendra Kumar Suri and Mr. Varun S. Mutreja as its members. Mr. Pradip C. Shah was inducted as its member on 14-02-2015.

The composition of the Audit Committee as at 31st March, 2015 and details of the Members participation at the Meetings of the Committee are as under:

Date of Meeting	*Mr. Chandan S. Gupta	#Mr. Surendra Kumar Suri	$**Mr. Lalit N. Mutreja	@Mr. Varun S. Mutreja	***Mr. Pradip C. Shah
30th May, 2014	Present	Present	Present	NA	NA
14th August, 2014	Present	Present	Present	NA	NA
14th November, 2014	Present	Present	Present	NA	NA
14th February, 2015	Present	Present	NA	Present	NA
Total (out of 4 meetings)	4	4	3	1	0

* Chairman & Non Executive Independent Director
# Non- Executive Independent Director
$ Executive Whole - Time Director
** Resigned as Director w.e.f. 14.11.2014
@ Appointed as Additional Director w.e.f. 14.11.2014
*** Appointed as an Independent Director w.e.f. 14.02.2015

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

During the year under review, the Audit Committee held a separate meeting with the Statutory Auditors and the Internal Auditor to get their inputs on significant matters relating to their areas of audit.

B. STAKEHOLDERS RELATIONSHIP COMMITTEE

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board has renamed the existing "Shareholders'/Investors' Grievance Committee" as the "Stakeholders' Relationship Committee".

The terms of reference of the Committee are:

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

The Stakeholders' Relationship Committee has been reconstituted on 14-11-2014, comprising of Mr. Surendra Kumar Suri as Chairman; Mr. Suresh N. Mutreja and Mr. Varun S. Mutreja as its members.

The composition of the Stakeholders' Relationship Committee as at 31st March, 2015 and details of the Members participation at the Meetings of the Committee are as under:

Date of Meeting	*Mr. Suresh N. Mutreja	#Mr. Surendra Kumar Suri	$**Mr. Lalit N. Mutreja	@Mr. Varun S. Mutreja
30th May, 2014	Present	Present	Present	NA
14th August, 2014	Present	Present	Present	NA
14th November, 2014	Present	Present	Present	NA
14th February, 2015	Present	Present	NA	Present
Total (out of 4 meetings)	4	4	3	1

*Chairman & Managing Director
Non- Executive Independent Director
$ Executive Whole - Time Director
** Resigned as Director w.e.f. 14.11.2014
@ Appointed as Additional Director w.e.f. 14.11.2014

Compliance Officer:

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

Complaint Status for the year 01/04/2014 to 31/03/2015

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

C. NOMINATION AND REMUNERATION COMMITTEE (N&R)

In compliance with Section 178 of the Companies Act, 2013 and Clause 49(IV) of Listing Agreement, the Board has constituted the "Nomination and Remuneration Committee" (N&R).

The terms of reference of the Committee inter alia, include the following:

- Constitution: Min 3 Non Executive Directors with half or more as Independent Directors. However, the Chairman of the Company (Executive or non-executive) shall be the member of the Committee, but shall not act as the Chairman of the Committee.
- Terms of Reference:
  - The Committee shall identify the persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the board their appointment and removal and shall carry out evaluation of every directors performance.
  - Lay down the criteria for determining the qualifications, positive attributes and independence of a Director and further recommend to the Board the policy for remuneration of Director, Key Managerial Personnel and Employees.
- While formulating the policy the Committee has to ensure that:
  - The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
  - Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
  - Remuneration to directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The composition of the Nomination and Remuneration Committee as at 31st March, 2015 and the details of Members participation at the Meetings of the Committee are as under

Date of Meeting	*Mr. Chandan S. Gupta	#Mr. Surendra Kumar Suri
14th November, 2014	Present	Present
14th February, 2015	Present	Present
Total	2	2

*Chairman & Non Executive Independent Director
Member & Non- Executive Independent Director

D. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

E. RISK MANAGEMENT COMMITTEE

The nature of business is manufacturing of Dyed Yarn. The inherent risk to the business of the company is as follows:

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

All the above risk has been discussed in the Management Discussion and Analysis Report. The nature of risk is dynamic of business and entrepreneurship. The Company has not formed Risk Management Committee and considered it as optional item as prescribed under Clause 49 of Listing Agreement.

F. INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on 14th February, 2015, inter alia, to discuss:

- Evaluation of the performance of Non Independent Directors and the Board of Directors and the Board of directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
- Evaluation of the quality, content and timeline of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

IV. POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

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

A. CRITERIA OF SELECTION OF NON EXECUTIVE DIRECTORS

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

B. REMUNERATION

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

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

C. CEO & MANAGING DIRECTOR - CRITERIA FOR SELECTION / APPOINTMENT

For the purpose of selection of the CEO & MD, the N&R Committee shall recommend the Promoter Directors as CEO & Managing Director who are persons of integrity who possess relevant expertise, experience and leadership qualities required for the position.

Remuneration for the CEO & Managing Director

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

Remuneration Policy for the Senior Management Employees

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

V. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit and Nomination and Remuneration. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

VI. DETAILS OF REMUNARATION PAID TO ALL DIRECTORS

The aggregate remuneration paid to the Directors for the year ended 31st March, 2015 is as under :

Name of Director	Designation	Salary & Perquisites	Commission	Sitting Fees	Total
Mr. Suresh N. Mutreja	Managing Director	18.24	-	-	18.24
Mr. Lalit N. Mutreja	Executive Director	15.28	-	-	15.28
Mr. Varun S. Mutreja	Director - Chief Financial Officer	3.40*	-		3.40
Mr. Chandan S. Gupta	Independent Director	-	-	0.75	0.75
Mr. Surendra Kumar Suri	Independent Director	-	-	0.75	0.75
Mrs. Asha S. Mutreja	Non - Executive Woman Director	-	-	-	-
Mr. Pradip C. Shah	Independent Director	-	-	-	-

* Appointed as Additional Director w.e.f. 14.11.2014.

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

Details of Service Contracts:

Name and Designation	Current tenure	From	To
Mr. Suresh N. Mutreja Managing Director	3 years	1st July, 2013	30th June, 2016
*Mr. Lalit N. Mutreja Executive Director	3 years	1st July, 2013	14th November, 2014
Mr. Varun S. Mutreja Director - CFO	5 years	14th November, 2014	13th November, 2019
Mrs. Asha S. Mutreja Whole-Time Director	5 years	1st June, 2015	31st May, 2020

* Resigned as Executive Director w.e.f. 14.11.2014

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

Non Executive Directors	No. of shares held as on 31st March, 2015	No. of shares held as on 31st March, 2014
Mr. Chandan S. Gupta	Nil	Nil
Mr. Surendra Kumar Suri	400	400
Mr. Pradip C. Shah	Nil	Nil

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

VII. SUBSIDIARY COMPANIES

The Company does not have any Subsidiary Company.

VIII. RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year, were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS-18) has been made in the notes to the Financial Statements.

The Board has approved a policy for related party transactions.

IX. DISCLOSURES

Strictures and Penalties

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

Compliance with Accounting Standards

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 1956 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

Internal Controls

The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory / regulatory compliances. The Company's business process is on ERP platforms and financial accounting is done according to the procedure manual for an account which has monitoring strongly at regular intervals and reporting process resulting in financial discipline and accountability.

CFO & CEO Certification

The CFO & CEO have issued certificate pursuant to the provisions of Clause 49 of the Listing Agreement certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

X. CODE OF CONDUCT FOR THE BOARD MEMBERS AND SENIOR MANAGEMENT

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 31st March, 2015. A declaration to this effect signed by the Chairman of the Company is given elsewhere in the Annual Report.

XI. VIGIL MECHANISM / WHISTLE BLOWER POLICY

During the financial year 2014 - 2015, 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.

The Ethics Helpline can be contacted to report any suspected or confirmed incident of fraud / misconduct on:

E-Mail: pritesh@valsonindia.com
Telephone Number: 022 40661000
Fax Number: 022 40661199

XII. PREVENTION OF INSIDER TRADING

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

All Board Directors and the designated employees have confirmed compliance with the Code.

XIII. COMMUNICATION WITH THE MEMBERS/ SHAREHOLDERS

- The unaudited quarterly / half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within two months from the close of the financial year as per the requirements of the Listing Agreement with the Stock Exchanges. The aforesaid financial results are sent to BSE Limited (BSE) where the Company's securities are listed, immediately after these are approved by the Board. The results are published within forty-eight hours in leading English and Marathi daily newspapers. The audited financial statements form a part of the Annual Report which is sent to the Members well in advance of the Annual General Meeting.
- The Company also informs by way of intimation to BSE all price sensitive matters or such other matters, which in its opinion are material and of relevance to the members and subsequently issues a Press Release in regard to the same.
- The Annual Report of the Company, the quarterly / half yearly and the annual results and the press releases of the Company are also available at the registered office of the company;
- In compliance with Clause 52 of the Listing Agreement, the quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchange viz. BSE Limited are filed electronically on BSE's on-line portal and through Corporate Filing and Dissemination System (CFDS) website www.corpfiling.co.in. The Company has complied with filing submissions through BSE's BSE Online Portal.

XIV. GENERAL INFORMATION TO SHAREHOLDERS

Financial Year Ended: 31st March, 2015

Investor Services

The Company has appointed Link Intime India Pvt. Ltd., Registrar and Share transfer Agent which offers all share related services to its Members and Investors.

These services include transfer / transmission / dematerialization of shares, payment of dividends, sub-division / consolidation / renewal of share certificates and investor grievances.

Registered Office & Correspondence Address

M/s. Valson Industries Limited
28, Bldg. No. 6, Mittal Industrial Estate, Sir M. V. Road, Andheri (East), Mumbai 400 059
Phone No: 022 40661000
Fax: 022 40661199
Website: www.valsonindia.com
Contact Person: Mr. Pritesh Shah, Compliance Officer
Email Address: pritesh@valsonindia.com

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

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

Members are requested to ensure that correspondence for change of address, change in bank details, processing of unclaimed dividend, subdivision of shares, renewals / split / consolidation of share certificates, issue of duplicate share

certificates should be signed by the first named Member as per the specimen signature registered with the Company. The Company may also, with a view to safeguard the interest of its Members and that of the Company, request for additional supporting documents such as certified copies of PAN Cards and other proof of identity and/or address.

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

Plant Location

Texturising and Twisting

Silvassa - Unit No. 2:
Plot No. 113/2/10, Tirupati Industrial Estate, Near 66 KVA Sub-Station Road, Village Amil, Dist. Silvassa, U.T. - Dadra and Nagar Haveli 396 230.

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

Yarn Dyeing

Vapi Unit:
Plot No. 1204 & 1705, GIDC, Phase III, Vapi, Gujarat 396 195.

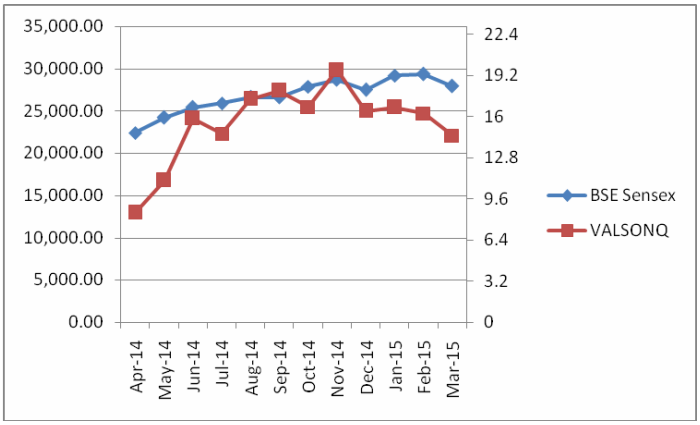
Market Information :
Listing on Stock Exchange

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

Name & Address of the Stock Exchanges	Stock Code/ Scrip Code	ISIN Number for CDSL(Dematerialised shares)
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001.	530459	INE 808A01018

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

Index Comparison



***Monthly High and Low Prices of the Equity Shares of the Company for the year ended 31st March, 2015:**

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-14	7.84	9.87	7.79	8.52	53431	294	450590	2.08	0.68
May-14	8.28	11.43	7.70	11.02	114867	790	1127968	3.73	2.74
Jun-14	11.57	17.78	11.57	15.84	1457123	1200	21812307	6.21	4.27
Jul-14	15.95	15.95	13.55	14.65	86298	510	1258231	2.40	-1.30
Aug-14	14.74	17.73	14.30	17.35	65496	674	1044381	3.43	2.61
Sep-14	17.35	20.66	16.25	18.00	443653	780	7381837	4.41	0.65
Oct-14	17.25	19.50	15.30	16.75	43871	421	726494	4.20	-0.50
Nov-14	16.95	20.60	15.65	19.60	81448	895	1451239	4.95	2.65
Dec-14	20.00	21.90	15.00	16.40	53329	980	944731	6.90	-3.60
Jan-15	16.50	18.60	13.55	16.70	49710	890	811727	5.05	0.20
Feb-15	16.90	18.30	15.00	16.25	33044	805	531380	3.30	-0.65
Mar-15	17.50	17.65	13.95	14.50	39317	713	601005	3.70	-3.00

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

Share Transfer System / Dividend and Other Related Matters:

Share transfers

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

Nomination facility for shareholding

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

Permanent Account Number (PAN)

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

Dividend

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

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

- Unclaimed Dividends:

  The Company is required to transfer dividends which have remained unpaid / unclaimed for a period of seven years to the Investor Education & Protection Fund established by the Government. The Company will, in September 2015 transfer to the said fund, the dividends for the years ended March 31, 2008 which have remained unclaimed / unpaid.

For Equity Shareholders:

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
Final Dividend 2013 - 2014	13.09.2014	17.10.2021

Individual reminders are sent each year to those Members whose dividends have remained unclaimed for a period of seven years from the date they became due for payment, before transferring the monies to the Investor Education & Protection Fund (IEPF).

Pending Investors' Grievances

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

Reconciliation of Share Capital Audit

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

Distribution of Shareholding as on 31st March, 2015

Range			Number of Shareholders	% of Total Holders	Total Share Holding	% to Capital
1	-	500	1460	64.57	314493	4.11
501	-	1000	365	16.14	306001	3.99
1001	-	2000	209	9.24	322835	4.21
2001	-	3000	62	2.74	159350	2.08
3001	-	4000	44	1.95	159490	2.08
4001	-	5000	20	0.88	92184	1.20
5001	-	10000	53	2.34	362509	4.73
10001	&	Above	48	2.12	5943938	77.59
Total			**2261**	**100.00**	**7660800**	**100.00**

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

Shareholding Pattern as on 31st March, 2015 (Equity Shares):

	Category	No of Shares Held	% Of Share Holding
A.	**Promoter (S) Holding** Promoter (s) - Indian Promoters - Foreign Promoters	 4124500 0	 53.84 0.00
	Sub - Total (A)	**4124500**	**53.84**
B.	**Non-Promoters Holding** **Institutional Investors**		
i.	Mutual Funds & UTI	0	0.00
ii.	Banks, Financial Inst, Insurance Company, (Central / State Govt Inst / Non-Govt Inst)	0	0.00
iii	FII's	0	0.00
	Others		
i.	Private Corporate Bodies	168971	2.21
ii.	Indian Public and others	2918566	38.10
iii.	NRI/OCBS	116650	1.52
iv	Directors / Relatives	0	0.00
v	Clearing Members	25358	0.33
vi	Hindu Undivided Family and others	306755	4.00
	Sub - Total (B)	**3536300**	**46.16**
	GRAND TOTAL (A+B)	**76,60,800**	**100.00**

Statement showing Shareholding of more than 1% of the Capital as on 31st March, 2015

Sr. No.	Names of the shareholders		No. of Shares	% of Capital
1	**Promoters:**		4124500	53.84
	Suresh N. Mutreja	1587000		
	Kunal S. Mutreja	757000		
	Asha S. Mutreja	619000		
	Suresh N. Mutreja (HUF)	450200		
	Varun S. Mutreja	293000		
	Ankit S. Mutreja	148800		
	Tina K. Mutreja	117000		
	Nanakchand D. Mutreja (HUF)	92500		
	Kunal S. Mutreja (HUF)	60000		
	Others:			

Sr. No.	Names of the shareholders	No. of Shares	% of Capital
2	Sunil N. Mutreja	209564	2.74
3	Seema D. Mutreja	201168	2.63
4	Malka N. Mutreja	194609	2.54
5	Nandlal N. Mutreja (HUF)	169200	2.21
6	Nitesh N. Mutreja	158682	2.07
7	Madan Bhagchand Melwani	107518	1.40
8	Sunil N. Mutreja (HUF)	107200	1.40
9	Rita S. Mutreja	88993	1.16
	Total	5361434	69.99

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

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

Particulars of Past Three Annual General Meetings

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

Financial Year Ending	Nature of Meeting	Nature of Special Resolution Passed	Date & Time	Location
31.03.2012	28th AGM	Nil	30.09.2012 4.30 P.M.	Registered Office
31.03.2013	29th AGM	Nil	28.09.2013 11.30 A.M.	Registered Office
31.03.2014	30th AGM	Note 1*	13.09.2014 11.30 A.M.	Registered Office

*** Note 1**

1. Special Resolution for Re-appointment and payment of remuneration of Mr. Suresh Mutreja as Chairman & Managing Director for a period of three years w.e.f. 1st July, 2013.
2. 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:

1) There were no resolutions passed through postal ballot last year.

2) No resolutions are proposed to be passed through postal ballot.

D E C L A R A T I O N S

FINANCIAL CALENDAR 2015 - 2016:

Board Meeting for consideration of Accounts for the financial year ended 31st March, 2015 and recommendation of dividend	22nd May, 2015
Posting of Annual Reports	On or before 18th July 2015
Book Closure Dates	11th August 2015 to 14th August 2015 (both days inclusive)
Last date for receipt of Proxy Forms	12th August 2015
Date, Time & Venue of the 31st Annual General Meeting	Friday 14th August 2015 at 10.45 am at 28, Bldg. No. 6, Mittal Industrial Estate, Sir M. V. Road, Andheri (East), Mumbai 400 059
Dividend Payment Date	31st August 2015
Probable date of despatch of warrants	31st August 2015
Board Meeting for consideration of unaudited quarterly results for the financial year ended 31st March, 2016	Within Sixty days from the end of the quarter, as stipulated under the Listing Agreement with the Stock Exchanges
Audited results for the current financial year ending 31st March, 2015 Exchanges	Within Sixty days from the end of the quarter, as stipulated under the Listing Agreement with the Stock

PRACTISING COMPANY SECRETARY'S 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 of Directors

Mumbai
Date: 22nd May, 2015

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

Compliance with Code of Conduct on clause 49(II) (E) 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(II) (E) of the Listing Agreement with the Stock Exchange. The Board Members and Senior Management Personnel of the Company have confirmed the compliance of provisions of the said code for the financial year ended 31st March, 2015.

For and on behalf of the Board of Directors

Mr. Suresh N. Mutreja
Chairman & Managing Director

Place: Mumbai
Date: 22nd May, 2015

CFO / CEO CERTIFICATION

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

- We have reviewed financial statements and the cash flow statement for the financial year ended 31st March, 2015 and that to the best of our knowledge and belief, we state that:
  - these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
  - these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- We hereby declare that all the members of the Board of Directors and Executive Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- We have indicated, based in our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:
  - significant changes, if any, in internal control over financial reporting during the year;
  - significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over the financial reporting.

Yours faithfully

Mumbai
Date: 22nd May, 2015

(Mr. Varun S. Mutreja)
Chief Financial Officer

(Mr. Kunal S. Mutreja)
Chief Executive Officer

Mr. Punit P. Shah
Practicing Company Secretary
218, Veena Chambers,
21 Dalal Street, Fort,
Mumbai- 400023
Tel. No. + 91 22 22676369
Fax No. + 91 22 22641351

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 year ended on 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

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 the conditions of the 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 the above mentioned Listing Agreement.

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

Mumbai
Date: 22nd May, 2015

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

MANAGEMENT DISCUSSION AND ANALYSIS

Economy Overview:

A REPORT The Textile Association (India) in association with Thailand Convention & Exhibition Bureau organized Global Textile Congress at Bangkok on 13th to 15th February, 2015 to develop lasting business relations between countries producing textile fibres, fabrics, machineries and carrying out extensive research in all related areas. The theme of Congress "Global Textile - Opportunities and Challenges in an Integrated World" was very meticulously selected to garner knowledge and expertise of galaxy of eminent speakers of world fame. This international event was conceived two years ago and tremendous efforts were made to achieve success. All possible detailing were done in a very systematic manner, selection of speakers, papers, ten sessions addressing various issues of Textile Industry, two panel discussions widely attended and deliberations by almost 30 Research Scholars and Faculty members made the conference big knowledge pool. Various others important issues such as Foreign Exchange, Contract Management, HRD Matters, Supply Chain, Shipping were also discussed by very capable speakers. The Global Textile Congress was attended by more than 600 delegates from 18 countries during which more than 60 papers. Since, this international conference was to address important issues related to Textile Industry in Middle East, West Africa, Far East region including China, Indonesia, South Korea, Japan, Singapore and Hong Kong and India, the Congress assumed tremendous distinction for providing a springboard to the textile industry in India to reach out to other nations with recognition.

The MMF textile segment is one of the most promising sectors of the textile value chain. The advancement of technology and wide application of functional textiles give enormous growth potential to manmade fibre based products in India. MMF textiles constitute nearly half of the domestic textile market and two thirds of the global market. However, India's share in global exports of man-made fibre based textiles is only around 3% and our domestic fibre consumption is dominated by cotton. Indian industry has to diversify substantially into MMF based textiles, without losing our strength in cotton.

Exports have been registering impressive growth in the case of finished products, especially garments. The efforts of our exporters to diversify into new markets in the context of the demand recession in our traditional markets in recent years have started showing positive results. Revival of demand in the major textile consuming countries, stability in the price of basic raw materials like cotton and petroleum products, absence of volatility in the value of rupee against dollar and the falling trend of inflation in the domestic economy are expected to help the textile sector to grow further in the coming months. The recent measures taken by government to reduce interest rates and liberalise labour laws and the industry friendly bills that are expected to be passed in the parliament would help to augment investment in the manufacturing sector including in the textiles industry. At the State level also, industry-friendly textile policies have been announced by the States with substantial textile production, creating a competitive investment climate.

While some of the measures announced in the budget 2015-2016 will help manufacturing industries in the long run, there is practically no textile specific proposal in it. Continuation of the optional excise duty regime is perhaps the only silver line in the whole budget as far as the textiles industry is concerned. In the budget the TUF's subsidy allocation done of Rs.1520 crore for 2015-16.

- India has the second largest manufacturing capacity globally.
- The Indian textile industry accounts for about 24% of the world's spindle capacity and 8% of global rotor capacity.
- India has the highest loom capacity (including hand looms) with 63% of the world's market share.
- India accounts for about 14% of the world's production of textile fibre and yarn and is the largest producer of jute and the second largest producer of silk and cotton.
- A strong production base of a wide range of fibre/yarn from natural fibres like cotton/jute, silk and wool to synthetic man-made fibres like polyester, viscose, nylon and acrylic.
- Increased penetration of organised retail, favourable demographics and rising income levels to drive textile demand.
- India enjoys a comparative advantage in terms of skilled manpower and cost of production over major textile producers.
- Abundant raw material and increasing demand for exports to boost fibre production.
- Abundant availability of raw materials such as cotton, wool, silk and jute.

- Scheme for Integrated Textile Parks provides world class infrastructure to new textile units. To date, 57 Textile Parks have been sanctioned with an investment of INR 60 Billion. By 2017, 25 more Textile Parks are to be sanctioned.
- Integrated Processing Development Scheme for sanctioning processing parks has been initiated. INR 5 Billion has been earmarked for this scheme.
- Integrated Skill Development Scheme has provided training to 1.5 Million people to cover all sub-sectors of textiles such as Textile and Apparel, Handicrafts, Handlooms, Jute and Sericulture.

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.

Risks and concerns:

There are some areas of concerns, which need to be stated here. Along-with recovery, the textile industry is also facing increase in input prices in sync with the global trends and appreciating rupee. In our view, there is need for an integrated approach to be adopted for the development of the textile and clothing industry in the country. Such an approach is required to ward off any such situation 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, automotive and ready-made garments industries etc. Quality Products and Services has been our top most priority and after continuous research, we have ventured into the dyeing of various qualities of yarns. We have more than 55000 shades in our data bank.

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

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

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

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

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

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

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

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

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

The Company is exploring new avenues to increase the export base and has chalked out strategic growth plan for the potential market in Middle East, U K, Egypt, Mexico and other European markets. Our products quality has been accepted world wide as a result company's export has grown by 27.5% compared to last year.

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

Opportunities:

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

Threats:

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

Segment-wise performance:

The Company falls within a single business segment viz. 'Yarns'. The sales are substantially in the domestic market, and the 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 human resources by recruiting the best talent is vital to the long term success of the company. Employees are provided with continues opportunities for active learning and development which are viewed as the key drivers of our growth and thereby contributing to the success of the Company. The remuneration structure is linked directly with performance and reward.

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

Insurance:

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

Safety, Health and Environment

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

Environmental Preservation:

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

Material developments in Human Resources / Industrial Relations:

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

Internal control systems and their adequacy:

The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory / regulatory compliances. The Company's business process is on ERP platforms and financial accounting is done according to the procedure manual for an account which has monitoring strongly at regular intervals and reporting process resulting in financial discipline and accountability. 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 mainly due to it's rich experience and concentration on optimum utilisation of capacity along with better conversion and also monitoring, controlling and restricting the manufacturing expenses. 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 well and the highlights of the performance are as under:

- There is a growth of 8.60% in Texturising Production (4781 MT) and 6.5% in Dyeing production (4588 MT) compare to last year.
- The growth of 4% in the quantity sold compare to last year and also the growth of 12% the dyed yarn sale compare to last year.
- The Export turnover has increased to 27.5% i.e. Rs. 861.54 Lacs compare to Last year Rs. Rs.675.86 Lacs.
- The Company has repaid it's term loan and Deposits and manage the working capital efficiently which results in reduction in finance cost drastically to Rs. 122.43 Lacs from Rs. 184.48 Lacs (i.e. reduction of 34%).
- As per the schedule II of the Companies Act 2013 there is changes in the depreciation calculation which result into increase of depreciation by 27% i.e. Rs. 306.82 Lacs from Rs. 241.15 Lacs.
- The Operating profit of the company is 6.75% compare to last year 6.01% (i.e. growth of 12.25%).
- The Net profit before Tax of the company is 2.73% compare to last year 1.98% (i.e. growth of 38 %).
- The Net profit after Tax of the company is 2.03% compare to last year 1.47% (i.e. growth of 37.6 %).
- The Return of Net worth of the company is 9.02% compare to last year 6.76% (i.e. growth of 33.5 %).

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

For and on behalf of the Board of Directors

Mumbai
Date: 22nd May, 2015

Mr. Suresh N. Mutreja
Chairman & Managing Director

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, 2015, the Statement of Profit and Loss, the 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

The Company's Board of Directors 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that are operating effectively for the ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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, 2015;

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to the 'Order') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No. 24.1 (i)

      ii. In our opinion and as per the information and explanations provided to us, the Company has not entered into any long term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for material foreseeable losses; and

      iii. There has been no delay in transferring the amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For MEHTA CHOKSHI & SHAH
CHARTERED ACCOUNTANTS

A. R. MEHTA
PARTNER
MEMBERSHIP NO. 46088
Firm Registration No : 106201W

Place: Mumbai
Date: 22nd May 2015

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 of "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date on the accounts of VALSON INDUSTRIES LIMITED for the year ended 31st March, 2015)

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.

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. 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 189 of the Companies Act, 1956.

   (a) As the Company has not granted any loans secured or unsecured the regularity of receipt of principal and interest does not arise.

   (b) As the company has not granted any loans secured or unsecured, the reporting for overdue amount in excess of rupees one lacs does not arise.

4. In our opinion and according to the information and explanations given to us, there is adequate internal control system 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 control system.

5. In our opinion and according to the information and explanations given to us, the Company has accepted deposits and the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, where applicable, have been complied with.

6. We have broadly reviewed the Cost records maintained by the company which have been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, in respect of the Company's products to which the said rules are made applicable, and are of the opinion that, prima-facie, the prescribed accounts and records, have been made and maintained. We have, however, not made a detailed examination of the records, with a view to determine whether they are accurate.

7. (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, value added tax, cess and any other statutory dues with the appropriate authorities

   According to the information and explanations given to us, no undisputed amounts payable in respect of any of the above statutory dues were in arrears, as at 31st March, 2015 for a period of more than six months from the date they became payable.

   (b) According to the information and explanations given to us, the disputed statutory dues aggregating to Rs.1,712.96 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 2008-09	509.65
3	Gujarat Vat Authorities	Entry Tax	Dy. Commissioner of Commercial Tax Appeal, Division 05	Financial Year 2009-10	625.34
4	Gujarat Vat Authorities	Entry Tax	Dy. Commissioner of Commercial Tax Appeal, Division 05	Financial Year 2010-11	575.58

(c) The amount required to be transferred to Investor Education and Protection Fund in accordance with section 125 of Companies Act and rules made there under has been transferred to such fund within time.

8. 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.

9. In our opinion and according to the records of the Company, it has not defaulted in repayment of dues to the banks and has nothing due to financial institution or debenture holders.

10. 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.

11. 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.

12. During the course of an examination of the books of account carried out in accordance with the generally accepted auditing practices in India, no fraud on or by the Company has been noticed or reported during the year.

For MEHTA CHOKSHI & SHAH
CHARTERED ACCOUNTANTS

A. R. MEHTA
PARTNER
MEMBERSHIP NO. 46088
Firm Registration No : 106201W

Place: Mumbai
Date: 22nd May, 2015

BALANCE SHEET AS AT 31ST MARCH 2015

	NOTE NO.	AS AT 31.03.2015 Rs. in Lacs	AS AT 31.03.2014 Rs. in Lacs
A) EQUITY AND LIABILITIES			
1) Shareholders' funds			
(a) Share capital	3	766.08	766.08
(b) Reserves and surplus	4	1,619.70	1,533.42
		2,385.78	2,299.50
2) Non-current liabilities			
(a) Long-term borrowings	5	392.75	659.72
(b) Long-term provisions- (Gratuity)		42.87	33.02
(c) Deferred tax liabilities (net)	6	326.63	389.43
		762.25	1,082.17
3) Current liabilities			
(a) Short-term borrowings	7	302.11	499.98
(b) Trade payables	8	497.31	573.55
(c) Other current liabilities	9	362.17	380.72
(d) Short-term provisions	10	109.31	82.77
		1,270.90	1,537.03
TOTAL		**4,418.93**	4,918.70
B) ASSETS			
1) Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		2,729.15	2,992.06
(ii) Intangible assets		11.87	17.80
(iii) Capital work-in-progress - Tangible		9.57	46.72
		2,750.59	3,056.58
(b) Long-term loans and advances	12	309.44	86.51
		3,060.03	3,143.09
2) Current assets			
(a) Inventories	13	378.05	578.94
(b) Trade receivables	14	688.21	901.57
(c) Cash and Bank balances	15	50.79	92.13
(d) Short-term loans and advances	16	36.30	35.74
(e) Other Current assets	16	205.55	167.23
		1,358.90	1,775.61
TOTAL		**4,418.93**	4,918.70

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

ABHAY R. MEHTA
Partner
Membership No. 46088
Place : Mumbai
Date : 22nd May, 2015

For and on behalf of the Board of Directors

Mr. Suresh N. Mutreja
Chairman and Managing Director

Mr. Varun S. Mutreja
Director and Chief Financial Officer

Mr. Kunal S. Mutreja
Chief Executive Officer

Statement of Profit and Loss for the year ended 31ST March, 2015

		NOTE NO.	FOR THE YEAR ENDED 31.03.2015 Rs. in Lacs	FOR THE YEAR ENDED 31.03.2014 Rs. in Lacs
1	Revenue from operations	17	10,674.77	10,628.76
	Less: Excise duty		(47.58)	(66.02)
	Revenue from operations (net)		10,627.19	10,562.74
2	Other Income	18	199.54	111.90
3	Total Revenue		**10,826.73**	10,674.64
4	Expenses			
	(a) Cost of materials consumed	19	6,518.67	6,747.23
	(b) Changes in inventories of finished goods	20	102.58	11.44
	(c) Employee benefits expense	21	910.59	845.79
	(d) Finance cost	22	122.42	184.48
	(e) Depreciation and Amortisation expense	11	306.82	241.15
	(f) Other expenses	23	2,575.52	2,435.66
	Total Expenses		**10,536.60**	10,465.75
5	Profit before tax		290.13	208.89
6	Tax expense:			
	(a) Current tax expense		(120.00)	(66.00)
	(b) Deferred tax (Liability)/Assets		45.16	12.56
			(74.84)	(53.44)
7	Profit for the year		**215.29**	155.45
8	Earnings per share (of Rs.10/- each):			
	Basic & Diluted - EPS		2.81	2.03

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
ABHAY R. MEHTA
Partner
Membership No. 46088
Firm Registration No. 106201W
Place : Mumbai
Date : 22nd May, 2015

For and on behalf of the Board of Directors

Mr. Suresh N. Mutreja
Chairman and
Managing Director

Mr. Varun S. Mutreja
Director and
Chief Financial Officer

Mr. Kunal S. Mutreja
Chief Executive Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

Particulars	For the year ended 31 March, 2015 (Rs. In Lacs)		For the year ended 31 March, 2014 (Rs. In Lacs)	
A. Net Cash flow from Operating Activities :				
Net profit before tax		290.12		208.89
Adjustments for:				
Depreciation and amortisation	306.82		241.15	
Loss / (Profit) on sale of assets	(47.31)		8.83	
Finance costs (net of Interest income)	78.39	337.90	162.95	412.93
Operating Profit before working capital changes		628.02		621.82
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	200.89		73.38	
Trade receivables	213.36		(10.45)	
Other Current Assets	(38.32)		(24.76)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	(76.24)		47.25	
Short-term provisions	0.13		0.37	
Long-term provisions	9.85		13.28	
Other current liabilities	(18.55)		(5.09)	
		291.12		93.98
Cash generated from operations		919.14		715.81
Less :- Direct Tax Paid (Net of Refund)		(114.17)		(55.93)
Net cash flow from Operating Activities (A)		804.97		659.88
B. Net Cash flow from Investing Activities				
Capital expenditure on fixed assets, including capital advances	(100.16)		(148.53)	
Proceeds from sale of fixed assets	92.30		21.78	
Long-term loans and advances	(222.94)		14.99	
Short-term loans and advances	(0.57)		17.52	
Investments in Fixed deposits	9.38		(6.55)	
Interest Income	44.03		21.53	
Net cash flow from Investing Activities (B)		(177.96)		(79.27)
C. Net Cash flow from Financing Activities :				
Net Increase / (decrease) of long-term borrowings	(266.97)		(373.64)	
Net increase / (decrease) in short term borrowings	(197.87)		4.33	
Finance cost	(122.42)		(184.48)	
Dividends paid	(61.29)		(38.30)	
Tax on dividend	(10.42)		(6.51)	
Net cash flow from Financing Activities (C)		(658.98)		(598.60)
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)		(31.97)		(18.00)
Cash and Cash Equivalents at the beginning of the year		56.75		74.75
Cash and Cash Equivalents at the end of the year		24.78		56.75
Reconciliation of Cash and Cash Equivalents with the Balance Sheet:				
Cash on hand		6.21		4.28
Balances with Banks		18.57		52.47
Cash and Cash Equivalents at the end of the year (Refer Note no. 15)		24.78		56.75

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

ABHAY R. MEHTA
Partner
Membership No. 46088
Place : Mumbai
Date : 22nd May, 2015

For and on behalf of the Board of Directors

Mr. Suresh N. Mutreja
Chairman and Managing Director

Mr. Varun S. Mutreja
Director and Chief Financial Officer

Mr. Kunal S. Mutreja
Chief Executive Officer

Notes forming part of the financial statements for the year ended 31st March 2015

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 and relevant provisions of Companies Act 2013.

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 excludes discount. 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.

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 on Fixed Assets is provided using Straight Line Method on basis of useful life as specified in Schedule II of the Companies Act, 2013.

Intangible Assets:

Computer Software is amortised over a period of 5 years as per AS 26 "Intengible Assets".

2.9 BORROWING COST:

Borrowing costs consists of interest and other cost 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.

Notes forming part of the financial statements for the year ended 31st March 2015

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.

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, 2015 of Rs. 0.06 Lacs (Previous year Rs. NIL) 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. 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.

Notes forming part of the financial statements for the year ended 31st March 2015

Note 3 - Share capital :

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares (in Lacs)	Rs. in Lacs	Number of shares (in Lacs)	Rs. in Lacs
(a) Authorised Equity shares of Rs.10 each with voting rights	**120**	**1,200**	**120**	**1,200**
(b) Issued Equity shares of Rs.10 each with voting rights	76.61	766.08	76.61	766.08
(c) Subscribed and fully paid up Equity shares of Rs.10 each with voting rights	76.61	766.08	76.61	766.08
Total	**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
Equity shares with voting rights				
Year ended 31 March, 2015				
- Number of shares(in lacs)	76.61	-	-	76.61
- Amount (Rs. in lacs)	766.08	-	-	766.08
Year ended 31 March, 2014				
- 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:

(No. in Lacs)

Class of shares / Name of shareholders	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares helds	% holding in that class of shares	Number of shares helds	% holding in that class of shares
Equity shares with voting rights				
Suresh N. Mutreja	15.870	20.72	7.020	9.16
Lalit N. Mutreja	-	-	6.571	8.58
Kunal S. Mutreja	7.570	9.88	3.781	4.94
Asha S. Mutreja	6.190	8.08	3.690	4.82
Suresh N. Mutreja HUF	4.502	5.87	1.981	2.59

Notes forming part of the financial statements for the year ended 31st March 2015

(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:

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

Particulars	Aggregatenumberof shares (in lacs)	
	As at 31 March, 2015	As at 31 March, 2014
Equity shares with voting rights		
Fully paid up pursuant to contract(s) without payment being received in cash	Nil	Nil
Fully paid up by way of Bonus shares as on 9th December 2009.	38.304	38.304

Note 4 Reserve and Surplus :

Particulars	As at 31 March, 2015 Rs. in Lacs	As at 31 March, 2014 Rs. in Lacs
(a) Securities premium Reserve		
Opening balance	160.54	160.54
Add : Premium on shares issued during the year	-	-
Less : Utilised during the year	-	-
Closing balance	160.54	160.54
(b) General Reserve		
Opening balance	331.47	316.47
Add: Transferred from Statement of Profit and Loss	15.00	15.00
Less: Depreciation in respect of Assets whose useful life is over as per Schedule II of the Companies Act 2013 (Net of deferred Tax)	(36.72)	-
Closing balance	309.75	331.47
(c) **Surplus/(Deficit) in Statement of Profit and Loss**		
Opening balance	1,041.42	972.68
Add: Profit for the year	215.29	155.45
Less:		
Proposed Dividend on Equity Shares	(76.61)	(61.29)
Tax on Dividend	(15.68)	(10.42)
Transferred to General Reserve	(15.00)	(15.00)
Closing balance	1,149.41	1,041.42
Total	**1,619.70**	**1,533.42**

Notes forming part of the financial statements for the year ended 31st March 2015

Note 5 Long-term borrowings :

Particulars	As at 31 March, 2015 Rs. in Lacs	As at 31 March, 2014 Rs. in Lacs
SECURED:		
Term Loan from Banks		
Bank of India	229.19	349.19
IDBI Bank Ltd.	79.67	139.67
	308.86	488.86
Vehicle Loans	3.89	11.86
Total Secured Loan	312.75	500.72
UNSECURED:		
Deposits from Related Parties (Refer note 25)	-	29.00
Deposits from Others	80.00	130.00
Total Unsecured Loan	80.00	159.00
Total	**392.75**	**659.72**

Term Loan - Security:

Term Loans other than for Silli - Unit

Secured by First charge on Pari Passu basis with IDBI and 2nd Pari passu charge basis with BOI of Immovable properties situated at Vapi 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 Exclusive charge in favour of BOI of 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

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

Particulars	Term Loan as at 31/3/15 Rs. in Lacs	Term Load as at 31/3/14 Rs. in Lacs	Vehicle Loan as at 31/3/15 Rs. in Lacs	Vehicle Loan as at 31/3/14 Rs. in Lacs
In first year (refer Note 9)	180.00	189.66	7.97	9.87
	180.00	189.66	7.97	9.87
In Second year	180.00	180.00	3.89	7.97
In Third to fifth year	128.86	308.86	-	3.89
	308.86	488.86	3.89	11.86

Notes forming part of the financial statements for the year ended 31st March 2015

Note 6 Deferred Tax Liability (Net):

Particulars	As at 31 March, 2015 Rs. in Lacs	As at 31 March, 2014 Rs. in Lacs
Attributable to the following items:		
Liabilities - Depreciation	356.55	421.29
Assets - Provision for Bonus & Leave salary	(29.92)	(31.86)
Total	**326.63**	**389.43**

Note 7 Short-term borrowings:

Particulars	As at 31 March, 2015 Rs. in Lacs	As at 31 March, 2014 Rs. in Lacs
SECURED:		
Facilities from Bank of India:		
Cash Credit	188.26	374.98
Packing Credit (EPC & PCFC)	113.85	125.00
Total	**302.11**	**499.98**

Security:
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 Vapi except Silli - Unit.

Note 8 Trade Payables:

Particulars	As at 31 March, 2015 Rs. in Lacs	As at 31 March, 2014 Rs. in Lacs
Trade payables:		
Micro, Small & Medium Enterprises (Refer Note 24.2)	35.75	43.05
Others	461.56	530.50
Total	**497.31**	**573.55**

Notes forming part of the financial statements for the year ended 31st March 2015

Note 9 Other current liabilities :

Particulars	As at 31 March, 2015 Rs. in Lacs	As at 31 March, 2014 Rs. in Lacs
(a) Current maturities of long-term debt from Banks. (Refer Note 5 for Security.)	187.97	199.53
(b) Interest accrued & due on Term Loan	1.63	2.33
(c) Other payables :		
(i) Statutory Liabilities	56.90	48.52
(ii) Advances from customers	9.22	29.25
(iii) Unpaid Dividend	3.45	4.08
(iv) Other Payables	103.00	97.01
Total	**362.17**	**380.72**

a) Details of Current maturities of Long Term Debts.

Particulars	As at 31 March, 2015 Rs. in Lacs	As at 31 March, 2014 Rs. in Lacs
SECURED:		
Term Loan from:		
Bank of India	120.00	129.66
IDBI Bank Ltd	60.00	60.00
Vehicle Loans	7.97	9.87
Total	**187.97**	**199.53**

Note 10 Short-term provisions:

Particulars	As at 31 March, 2015 Rs. in Lacs	As at 31 March, 2014 Rs. in Lacs
Provision for Taxation - (Net of TDS & Advance Tax)	15.90	10.07
Provision for Gratuity - (Current)	1.12	0.99
Provision for proposed Equity Dividend	76.61	61.29
Provision for Tax on dividend	15.68	10.42
Total	**109.31**	**82.77**

Notes forming part of the financial statements for the year ended 31st March 2015

Note 11 Fixes Assets

(Rs. in lacs)

DESCRIPTION	GROSS BLOCK				ACCUMULATED DEPRECIATION					NET BLOCK	
	BALANCE AS AT 1/04/2014	ADDITIONS DURING THE YEAR	DELETION DURING THE YEAR	BALANCE AS AT 31/03/2015	BALANCE AS AT 01/04/2014	#DUE TO CHANGE IN USEFUL LIFE	FOR THE CURRENT YEAR	DELETION DURING THE YEAR	BALANCE AS AT 31/03/2015	BALANCE AS AT 31/03/2015	BALANCE AS AT 31/03/2014
A) Tangible Assets											
Land											
Freehold	37.03	-	2.92	34.11	-	-	-	-	-	34.11	37.03
Leasehold	48.65	-	-	48.65	-	-	-	-	-	48.65	48.65
Buildings/Premises											
Factory Building	1,000.79	117.80	55.83	1,062.75	253.30	-	32.09	27.50	257.89	804.86	747.49
Staff Quarters	7.28	-	-	7.29	1.44	-	0.11	-	1.55	5.74	5.85
Office Premises *	43.83	-	-	43.83	7.86	-	0.69	-	8.55	35.29	35.97
Plant & Machineries											
Basic Machineries	2,924.22	-	25.90	2,898.32	1,279.00	26.91	176.88	23.32	1,459.47	1,438.85	1,645.22
Utility Ancillary Equipments	335.26	12.44	32.81	314.90	200.16	8.72	39.45	24.56	223.77	91.13	135.10
Electrical Installation	282.70	-	13.45	269.25	75.81	3.41	27.25	10.97	95.49	173.76	206.89
Office Equipments	35.25	5.40	4.63	36.01	17.24	8.20	4.43	4.41	25.46	10.56	18.01
Computer	62.91	0.93	6.26	57.57	51.92	1.91	4.67	5.93	52.57	5.00	10.99
Vehicles - Car	100.92	-	1.97	98.94	29.29	0.20	9.44	1.87	37.05	61.88	71.62
Vehicles - Scooter	2.82	0.50	-	3.32	1.98	-	-	-	1.98	1.34	0.84
Furniture & Fixtures	69.31	0.25	12.69	56.87	40.91	4.27	5.76	12.05	38.88	17.98	28.40
Total - A	**4,950.95**	**137.31**	**156.46**	**4,931.81**	**1,958.89**	**53.63**	**300.76**	**110.62**	**2,202.66**	**2,729.15**	**2,992.06**
Previous Year - A	**4,901.20**	**112.40**	**62.65**	**4,950.95**	**1,756.82**	**-**	**235.38**	**33.31**	**1,958.89**	**2,992.06**	**3,144.38**
B) Intangible Assets											
Software **	36.68	-	0.68	36.01	18.88	(0.12)	6.06	0.68	24.14	11.87	17.80
Total - B	**36.68**	**-**	**0.68**	**36.01**	**18.88**	**(0.12)**	**6.06**	**0.68**	**24.14**	**11.87**	**17.80**
Previous Year - B	**34.04**	**2.64**	**-**	**36.68**	**13.11**	**-**	**5.77**	**-**	**18.88**	**17.80**	**20.93**
Total - A + B	**4,987.63**	**137.31**	**157.14**	**4,967.81**	**1,977.77**	**53.51**	**306.82**	**111.30**	**2,226.80**	**2,741.02**	**3,009.86**
Previous Year - A + B	**4,935.24**	**115.04**	**62.65**	**4,987.63**	**1,769.93**	**-**	**241.15**	**33.31**	**1,977.77**	**3,009.86**	**3,165.31**

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

** Software to be amortised over a period of Five years due to applicability of AS - 26 on Intangible Assets.

Based on the transitional provision provided in note 7(b) of schedule II of Companies Act 2013 an amount of Rs. 36.72 Lacs (Net of Deferred Tax)has been adjusted against the retained earnings where the useful life of the assets has become NIL in terms of the said schedule.

Note 12 Long-term loans and advances:

Particulars	As at 31 March, 2015 Rs. in Lacs	As at 31 March, 2014 Rs. in Lacs
Unsecured, considered good :		
Deposits with Govt. Authorities	55.11	63.27
Deposits for Raw-materials, Utility and Service providers	6.70	6.70
Advances against Capital Goods	47.63	16.54
Inter Corporate Deposits	200.00	-
Total	**309.44**	**86.51**

Notes forming part of the financial statements for the year ended 31st March 2015

Note 13 Inventories :
(Value includes duties and taxes - taken, valued and certified by the Management)

Particulars	As at 31 March, 2015 Rs. in Lacs	As at 31 March, 2014 Rs. in Lacs
Raw materials incl. in transit (At Cost)	120.44	188.64
Finished goods (Lower of Cost or Market Value)	238.36	340.94
Packing Materials incl. in transit (At cost)	11.09	27.20
Stores and Spares incl. in transit (At cost)	5.82	16.61
Coal and Diesel incl. in transit(At cost)	2.34	5.55
Total	**378.05**	**578.94**

Note 14 Trade receivables :

Particulars	As at 31 March, 2015 Rs. in Lacs	As at 31 March, 2014 Rs. in Lacs
Unsecured, considered good:		
Debts exceeding six months	27.71	26.72
Others	660.50	874.85
Total	**688.21**	**901.57**

Note 15 Cash and cash equivalents :

Particulars	As at 31 March, 2015 Rs. in Lacs	As at 31 March, 2014 Rs. in Lacs
I. Cash and Cash equivalents:		
(a) Cash on hand	6.21	4.28
(b) Balances with banks		
In current accounts	18.57	52.47
	24.78	56.75
II) Other Bank Balances:		
(i) For Unpaid dividend accounts	3.45	4.09
(ii) In earmarked deposit accounts		
- Balances held as margin money against guarantees and other commitments. All the deposits are for period exceeding 12 months	22.56	31.29
Total	**50.79**	**92.13**

Notes forming part of the financial statements for the year ended 31st March 2015

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

Particulars	As At 31 March, 2015 Rs. in Lacs	As At 31 March, 2014 Rs. in Lacs
A) Short term Loans & Advances:		
Unsecured, considered good		
(i) Loans and advances to employees	28.77	25.09
(ii) Advances to Others Suppliers	7.53	10.65
	36.30	35.74
B) Others Current Assets :		
Unsecured, considered good		
(i) Balances with government authorities	5.36	0.67
(ii) Prepaid expenses	10.63	8.91
(iii) Others	189.56	157.65
	205.55	167.23
Total	**241.85**	**202.97**

Note 17 Revenue from operations :

Particulars	For the year ended 31 March, 2015 Rs. in Lacs	For the year ended 31 March, 2014 Rs. in Lacs
(a) Sale of Manufactured Goods		
(Texturised, Twisted, Dyed & Fancy Yarn)		
Domestic Sales	8,490.00	8,455.46
Export Sales	861.54	675.86
	9,351.54	9,131.32
(b) Processing Charges	1,317.73	1,494.78
(Texturising, Twisting & Dyeing)		
(c) Sale of Waste Yarn	5.50	2.66
Total	**10,674.77**	**10,628.76**

Note 18 Other income:

Particulars	For the year ended 31 March, 2015 Rs. in Lacs	For the year ended 31 March, 2014 Rs. in Lacs
(i) Interest received	44.03	21.53
(ii) Sundry balances written back	1.13	5.70
(iii) Export Incentives	67.10	46.11
(iv) Foreign exchange fluctuation gain	9.09	-
(v) Capital Gain on sale of land	53.50	-
(vi) Other Misc Income	24.69	38.56
Total	**199.54**	**111.90**

Notes forming part of the financial statements for the year ended 31st March 2015

Note 19 Cost of Materials Consumed :

Particulars	For the year ended 31 March, 2015 Rs. in Lacs	For the year ended 31 March, 2014 Rs. in Lacs
Indigenous		
Opening stock	188.64	229.31
Add: Purchases	6,450.47	6,706.56
	6,639.11	6,935.87
Less: Closing stock	(120.44)	(188.64)
Total	**6,518.67**	**6,747.23**

a) Cost of Materials consumed

Particulars	For the year ended 31 March, 2015 Rs. in Lacs	For the year ended 31 March, 2014 Rs. in Lacs
Yarns	5,318.83	5,685.49
Dyes & Chemicals	1,199.84	1,061.74
Total	**6,518.67**	**6,747.23**

Note 20 Changes in inventories of finished goods:

Particulars	For the year ended 31 March, 2015 Rs. in Lacs	For the year ended 31 March, 2014 Rs. in Lacs
Inventories at the end of the year:		
Finished goods	238.36	340.94
Inventories at the beginning of the year:		
Finished goods	340.94	352.38
Total	**102.58**	**11.44**

Note 21 Employee benefits expense :

Particulars	For the year ended 31 March, 2015 Rs. in Lacs	For the year ended 31 March, 2014 Rs. in Lacs
Salaries and wages	840.33	781.13
Contributions to provident funds / ESIC & LWF	42.28	40.12
Staff welfare expenses	27.98	24.54
Total	**910.59**	**845.79**

Notes forming part of the financial statements for the year ended 31st March 2015

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	**31.3.2015**	**31.3.2014**
Mortality Rate	LIC(1994-96)	LIC(1994-96)
Discount Rate	8.00%	9.00%
Salary escalation rate	6.00%	6.00%
Rate of return (expected) on plan assets	0.00%	0.00%
Withdrawal rate	1%throughout	1%throughout
Benefits (As per Act) with Limit	10.00	10
Retirement age	60	60
Expected average remaining service	25	27
I Data Information		
Number of members	482	588
Total monthly salaries (Rs. In Lacs)	45.05	41.46
Average age	35	32.80
Average Service (years)	2	2.16
II Changes in present value of obligations		
PVO at beginning of year	34.02	20.36
Interest cost	-	-
Current service cost	2.11	2.03
Benefits Paid	(5.48)	(3.53)
Actual(gain)/loss on obligation	13.00	15.00
PVO at end of year (all Units together)	43.99	34.02
III Changes in fair value of plan assets		
Fair Value of Plan Assets at beginning of year	-	-
Expected Return on Plan Assets	-	-
Contributions	5.48	3.53
Benefit Paid	(5.48)	(3.53)
Actuarial (gain)/loss on plan assets	-	-
Fair Value of Plan Assets at end of year (estimated)	-	-
IV Fair Value of Plan Assets		
Fair Value of Plan Assets at beginning of year	-	-
Actual Return on Plan Assets	-	-
Contributions	5.48	3.53
Benefit Paid	(5.48)	(3.53)
Fair Value of Plan Assets at end of year	-	-
Funded Status	(43.99)	(34.02)
Excess of actual over estimated return on Plan Assets	-	-

Notes forming part of the financial statements for the year ended 31st March 2015

	Rs. in Lacs	Rs. in Lacs
V Actuarial (gain)/loss Recognized	**31.3.2015**	**31.3.2014**
Actuarial (gain)/loss for the year (Obligation)	(13.00)	(15.00)
Actuarial (gain)/loss for the year (Plan Assets)	-	-
Total (gain)/loss for the year	(13.00)	(15.00)
Actuarial (gain)/loss recognized for the year	(13.00)	(15.00)
Unrecognized Actuarial (gain)/loss at end of year	-	-
VI Amounts to be recognized in the balance sheet and statement of profit & loss		
PVO at end of year	43.99	34.02
Fair Value of Plan Assets at end of year	-	-
Funded Status	(43.99)	(34.02)
Unrecognized Actuarial (gain)/loss	-	-
Net Asset/(Liability) recognized in the balance sheet	(43.99)	(34.02)
VII Expense recognized in the statement of profit & loss		
Current Service Cost	2.11	2.03
Interest cost	-	-
Expected Return on Plan Assets	-	-
Net Actuarial (gain)/loss recognized for the year	13.00	15.00
Expense recognized in the statement of P & L A/C	15.11	17.03
VIII Movements in the Liability recognized in Balance Sheet		
Opening Net Liability	34.02	20.36
Expenses as above	15.11	17.03
Contribution paid	(5.48)	(3.53)
Closing Net Liability	43.65	33.86
IX. Break up of total liabilities as per Revised Schedule VI of Companies Act.		
Current liabilities.	1.12	1.00
Non-current liability	42.86	33.02
Total liability	43.99	34.02
X. Experience History Information:		
Defined benefit obligation at end of period	43.99	34.02
Plan Assets at end of period (No Fund)	-	-
Funder status - Surplus / (Deficit)	43.99	34.02
Actuarial (gain) /loss due to change in basis	0.81	(0.61)
Actuarial (gain) /loss due to experience	9.71	14.24
Total Actuarial (gain) / loss in liabilities.	10.52	13.63
Experience (gain)/loss in plan assets	-	-

Notes forming part of the financial statements for the year ended 31st March 2015

Note 22 Finance cost :

Particulars	For the year ended 31 March, 2015 Rs. in Lacs	For the year ended 31 March, 2014 Rs. in Lacs
Interest expense :		
On Term Loans (Net of Tuf's subsidy)	80.25	104.75
On Working Capital	29.20	35.07
On Unsecured Loans & Others	12.97	44.66
Total	**122.42**	**184.48**

Note 23 Other Expenses :

Particulars	For the year ended 31 March, 2015 Rs. in Lacs	For the year ended 31 March, 2014 Rs. in Lacs
a) Manufacturing Expenses:		
Stores and spares consumed (Refer Note below (a))	92.81	100.23
Packing Materials	435.35	410.29
Power and fuel	996.58	1,046.57
Machinery Repairs and maintenance	35.79	21.61
Processing & Labour Charges	19.99	7.52
Security Charges	33.84	25.86
Factory Expenses	28.23	27.77
Total (a)	**1,642.59**	**1,639.85**
b) Administrative & Selling Expenses:		
Freight and forwarding	344.36	284.54
Brokerage and Commission	178.68	123.04
Discounts	108.58	95.29
Sales Tax	5.50	3.66
Advertisement & Business Promotion expenses	19.73	17.02
Rent, Rates & Taxes	15.49	15.76
Repairs - Buildings	5.44	3.57
Repairs - Others	32.67	33.98
Insurance	3.40	3.96
Travelling & Conveyance	36.94	21.19
Printing and stationery	25.74	22.30
Bank Charges & Commission	9.09	7.49
Postage, Telephone and Courier Charges	14.59	16.39
Vehicle Maintenance Exps	19.59	20.36
Office Electricity	6.23	7.17
Donations	0.05	0.05
Legal and professional fees	38.75	48.84
Director's Remuneration	36.82	31.85
Director's Sitting Fees	1.50	0.50
Payments to Auditors: (Refer Note below (b))	3.70	3.29
Miscellaneous Expenses	19.91	17.47
Loss on Sale of Investment	-	0.96
Foreign exchange fluctuation Loss	-	0.56
Loss on sale of Fixed assets	6.18	7.87
Bad Debts	-	8.70
Total (b)	**932.94**	**795.81**
Total (a+b)	**2,575.52**	**2,435.66**

Notes forming part of the financial statements for the year ended 31st March 2015

a) Stores and Spares consumed

Particulars	For the year ended 31 March, 2015 Rs. in Lacs	For the year ended 31 March, 2014 Rs. in Lacs
Indigenous	89.61	99.18
Imported	3.20	1.05
Total	**92.81**	**100.23**

b) Payments to the Auditors:

Particulars	For the year ended 31 March, 2015 Rs. in Lacs	For the year ended 31 March, 2014 Rs. in Lacs
Statutory & Tax Audit Fees	3.31	2.70
Certification fees	0.39	0.59
Total	**3.70**	**3.29**

Note 24 Additional information to the financial statements :

Particulars	As at 31 March, 2015 Rs. in Lacs	As at 31 March, 2014 Rs. in Lacs
24.1 Contingent Liabilities and Commitments		
i) Claims against the Company not acknowledged as debts :	1710.57	1134.99
The disputed demands of VAT & Entry Tax on the Yarn received for Dyeing Job Work by the Vapi Unit for FY 2008-2009, 2009-2010 and 2010-2011 wherein the company is in appeal before the appellate authority and applied for the stay of demand.		
The remission order for Entry Tax dated 22nd January 2015 granting the remission for Entry Tax on receipt of yarns in state of Gujarat is w.e.f. 22nd Jan 2015 onwards. For the past liabilities the company has made an application to the appellate authority. The company is hopeful that the levy of Entry Tax for above said liabilities will be reco sidered and liability will be NIL.		
Textile Cess claim against the claim not admitted as debts	2.39	2.39
	1712.96	1137.38
ii) Commitments :		
Estimated amount of contracts remaining to be executed on capital account and not provided for :		
(a) Tangible Assets	120.00	90.00
(b) Intangible Assets	Nil	Nil
(c) Advances given to the suppliers of the Capital goods is shown in Short term loan & advances pending to be capitalized and will be capatilised on completion/ commencement of production	47.64	Nil
Iii) Derivatives Contracts entered into by the Company for hedging and outstanding as on 31/03/2015:		
Forward Contracts	77.93	102.20

Notes forming part of the financial statements for the year ended 31st March 2015

Particulars	As at 31 March, 2015 Rs. in Lacs	As at 31 March, 2014 Rs. in Lacs
24.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006		
(a) Principal amount remaining unpaid to any supplier as at the end of the accounting year	35.75	43.05
(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.		
24.3 Value of Imports (calculated on CIF basis) :		
Machinery Spares	3.20	1.05
24.4 Expenditure in foreign currency (on accrual basis) :		
Travelling Expenses	3.86	Nil
Brokerage & Commission	2.49	2.11
Interest on PCFC	0.33	Nil
24.5 Earnings in foreign exchange (calculated on FOB value) :		
Export of goods	772.27	620.35

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 2044.81 Lacs (Previous Year Rs.1836.70 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 Accoutants of India.

Notes forming part of the financial statements for the year ended 31st March 2015

Related party disclosures as per (AS-18)

Details of related parties:	
Description of relationship	**Names of related parties**
Key Management Personnel (KMP)	Mr. Suresh N. Mutreja (Chairman & Managing Director) Mr. Varun S. Mutreja (Executive Director) Mr. Lalit N. Mutreja (Executive Director)* retired on 14th Nov 2014
Relatives of Key Management Personnel	Mrs. Sheeladevi N. Mutreja - Mother of Chairman & Managing Director Mrs. Tina K. Mutreja - Daughter in law of Chairman & Managing Director Mr. Kunal S. Mutreja - Son of Chairman & Managing Director Mr. Ankit S. Mutreja - Son of Chairman & Managing Director Mr. Dharmendra N. Mutreja - Brother of Chairman & Managing Director *Mrs. Kajal L. Mutreja - Wife of Executive Director
Note: Related parties have been identified by the Management.	

Details of related party transactions during the year ended 31st March, 2015 and balances outstanding as at 31 March, 2015:

Related party transactions

(Rs. in lacs)

Particulars	Key Management Personnel	Relatives of Key Management Personnel	Total
Rent Income	Nil (Nil)	4.80 (4.80)	4.80 (4.80)
Rent Paid	Nil (Nil)	3.84 (3.84)	3.84 (3.84)
Packing Materials & Charges	Nil (Nil)	18.70 (83.77)	18.70 (83.77)
Remuneration	36.82 (31.85)	14.37 (12.87)	51.20 (44.72)
Interest Payment	Nil (3.00)	0.76 (5.24)	0.76 (8.24)
Sale of Land & Buildings	Nil (Nil)	92.00 (Nil)	92.00 (Nil)
Balances outstanding at the end of the year: Borrowings - Deposits (unsecured)	Nil Nil	Nil (29.00)	Nil (29.00)
Packing Materials	Nil (Nil)	2.11 (2.85)	2.11 (2.85)

Notes forming part of the financial statements for the year ended 31st March 2015

Earnings per share:

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Basic & Diluted EPS		
Net profit after Tax for the year from continuing operations attributable to the equity shareholders (Rs. In Lacs)	215.29	155.45
Weighted average number of Equity Shares (shares in Lacs)	76.61	76.61
Nominal Value per share (Amount in Rs.)	10.00	10.00
Earnings per share - Basic & Diluted	**2.81**	**2.03**

Deferred tax (liability) / Assets:

Particulars	As At 31 March, 2015 Rs. in Lacs	As At 31 March, 2014 Rs. in Lacs
Tax effect of items constituting deferred tax liability		
On difference between book and tax depreciation	356.55	421.29
On expenditure deferred in the books but allowable for tax purposes		
Tax effect of items constituting deferred tax liability	356.55	421.29
Tax effect of items constituting deferred tax assets		
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	(29.92)	(31.86)
Tax effect of items constituting deferred tax assets	(29.92)	(31.86)
Net deferred tax (liability) / asset	**326.63**	**389.43**

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

For and on behalf of the Board of Directors

Mumbai
Date: 22nd May, 2015

Mr. Suresh N. Mutreja
Chairman & Managing Director

FINANCIAL PERFORMANCE HIGHLIGHTS

(Rs. in Lacs)

Particulars	2015	2014	2013
Revenue from operations (net)	10627.19	10562.74	9270.84
Expenses	10107.36	10040.11	8757.96
Earnings before other Income Interest, Tax, Depreciation	519.83	522.63	512.87
Other Income	199.54	111.90	90.95
Earnings before Interest, Tax, Depreciation (EBITDA)	719.37	634.53	603.82
Finance costs	122.42	184.48	207.38
Earnings before Tax, Depreciation (EBTDA)	596.94	450.05	396.44
Depreciation and amortisation expense	306.82	241.15	247.49
Earnings before Tax	290.13	208.89	148.95
Taxes	(74.84)	(53.44)	(61.36)
Earnings after Tax	215.29	155.45	87.59
A) EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	766.08	766.08	766.08
(b) Reserves and surplus	1619.70	1533.42	1449.68
Non-current liabilities			
(a) Long-term borrowings	392.75	659.72	1033.36
(b) Long-term provisions (gratuity)	42.87	33.02	19.74
(c) Deferred tax liabilities (net)	326.63	389.43	401.99
Current liabilities			
(a) Short-term borrowings	302.11	499.98	495.66
(b) Trade payables	497.31	573.55	526.30
(c) Other current liabilities	362.17	380.72	385.81
(d) Short-term provisions	109.31	82.77	45.44
Total	**4418.93**	**4918.70**	**5124.04**
B) ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	2729.15	2992.06	3144.38
(ii) Intangible assets	11.87	17.80	20.93
(iii) Capital work-in-progress - Tangible	9.57	46.72	13.22
(b) Non Current Investments	0.00	0.00	1.27
(c) Long-term loans and advances	309.44	86.51	101.49
Current assets			
(a) Inventories	378.05	578.94	652.31
(b) Trade receivables	688.21	901.57	891.12
(c) Cash and cash equivalents	50.79	92.13	103.58
(d) Short-term loans and advances	36.30	35.74	53.26
(e) Other Current Assets	205.55	167.23	142.48
Total	**4418.93**	**4918.70**	**5124.04**

Particulars	2015	2014	2013
Important Ratios			
(A) Measures of Performance			
Operating Profit	6.77%	6.01%	6.51%
Interest / Sales	1.15%	1.75%	2.24%
Gross Profit Margin	5.62%	4.26%	4.28%
Net Profit	2.03%	1.47%	0.94%
Return of Net worth	9.02%	6.76%	3.95%
(B) Measures of Financial Status			
Debt / Equity Ratio (LT & ST)	0.3	0.5	0.7
Current Ratio	1.1	1.2	1.3
Interest Coverage	6.5	3.7	3.2
Debtors Period (in Days)	23.6	31.2	35.1
Fixed Assets to Turnover	3.9	3.5	2.9
(C) Measures of Investments			
Earnings Per Share (EPS/Diluted)	2.81	2.03	0.00
Cash Earnings per Share	6.82	5.18	0.00
Dividend per Share	1.00	0.80	0.50
Dividend Payout (%)	35.6%	39.4%	43.7%
Profit Plough back (%)	64.4%	60.6%	56.3%
Book Value*	31.14	30.02	28.92

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

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.

BOOK - POST

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

FORM A

ANNUAL AUDIT REPORT

1	**Name of the Company**	VALSON INDUSTRIES LIMITED	
2	**Annual financial statement for the year ended**	31st March, 2015	
3	**Type of Audit Observation**	**Un-qualified* / ~~Matter of Emphasis~~** *All the clauses in the Audit Report along with the annexure to the Audit Report, both, dated May 22, 2015 are un-qualified in nature.	
4	**Frequency of Observation**	Whether appeared first time Whether appeared repetitive ..... Since how long (period)	**Not Applicable** **Not Applicable** **Not Applicable**

5	**For Valson Industries Limited**		
	Suresh Mutreja **Managing Director**	**Chandan Gupta** **Audit Committee Chairman**	**Varun Mutreja** **Chief Financial Officer**

VALSON INDUSTRIES LIMITED VALSON MUMBAI

For Mehta Chokshi & Shah
Chartered Accountants

A R Mehta
Partner
Membership No. 46088
FRN: 106201W

MEHTA CHOKSHI & SHAH MUMBAI-2 CHARTERED ACCOUNTANTS

Mehta Chokshi & Shah

CHARTERED ACCOUNTANTS

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, 2015**, the Statement of Profit and Loss, the 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

The Company's Board of Directors 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent: and design, implementation and maintenance of adequate internal financial controls, that are operating effectively for the ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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A-101, "AADESHWAR" S.V.P. ROAD, (MANDPESHWAR ROAD), BORIVALI (W), MUMBAI - 400 092.
Tel. 2893 0502 • Telefax : 2893 05 03 • Email : abhaymehta@camcs.in

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

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, 2015;
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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to the 'Order') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

MEHTA CHOKSHI & SHAH MUMBAI-2 CHARTERED ACCOUNTANTS

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No 24.1(i);

ii. In our opinion and as per the information and explanations provided to us, the Company has not entered into any long term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for material foreseeable losses; and

iii. There has been no delay in transferring the amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For MEHTA CHOKSHI & SHAH
CHARTERED ACCOUNTANTS

A. R. MEHTA
PARTNER
MEMBERSHIP NO. 46088
Firm Registration No : 106201W

Place: Mumbai
Date: 22nd May 2015

Annexure to the Independent Auditor's Report

(Referred to in paragraph 1 of "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date on the accounts of **VALSON INDUSTRIES LIMITED** for the year ended 31st March, 2015)

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.

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. 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 189 of the Companies Act, 2013.

   (a) As the Company has not granted any loans secured or unsecured the regularity of receipt of principal and interest does not arise.
   (b) As the company has not granted any loans secured or unsecured, the reporting for overdue amount in excess of rupees one lakh does not arise.

4. In our opinion and according to the information and explanations given to us, there is adequate internal control system 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 control system.

5. In our opinion and according to the information and explanations given to us, the Company has accepted deposits and the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, where applicable, have been complied with.

MEHTA CHOKSHI & SHAH * CHARTERED ACCOUNTANTS * MUMBAI-2

6. We have broadly reviewed the Cost records maintained by the company which have been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, in respect of the Company's products to which the said rules are made applicable, and are of the opinion that, prima-facie, the prescribed accounts and records, have been made and maintained. We have, however, not made a detailed examination of the records, with a view to determine whether they are accurate.

7. (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, value added tax, cess and any other statutory dues with the appropriate authorities

According to the information and explanations given to us, no undisputed amounts payable in respect of any of the above statutory dues were in arrears, as at 31st March, 2015 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the disputed statutory dues aggregating to Rs.1,712.96 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 5,	F.Y. 2008-09	509.65
3.	Gujarat VAT Authorities	Entry Tax	Dy. Commissioner of Commercial Tax Appeal, Division 5,	F.Y. 2009-10	625.34
4	Gujarat VAT Authorities	Entry Tax	Dy. Commissioner of Commercial Tax Appeal, Division 5,	F.Y. 2010-11	575.58

(c) The amount required to be transferred to Investor Education and Protection Fund in accordance with section 125 of Companies Act and rules made there under has been transferred to such fund within time.

MEHTA CHOKSHI & SHAH * MUMBAI-2 * CHARTERED ACCOUNTANTS

8. 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.

9. In our opinion and according to the records of the Company, it has not defaulted in repayment of dues to the banks and has nothing due to financial institution or debenture holders.

10. 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.

11. 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.

12. During the course of an examination of the books of account carried out in accordance with the generally accepted auditing practices in India, no fraud on or by the Company has been noticed or reported during the year.

For MEHTA CHOKSHI & SHAH
CHARTERED ACCOUNTANTS

A.R. MEHTA
PARTNER
MEMBERSHIP NO. 46088
Firm Registration No: 106201W

Place: Mumbai
Date: 22nd May, 2015