

**SCIL VENTURES LIMITED  
BOARD'S REPORT**

TO THE MEMBERS OF  
SCIL VENTURES LIMITED

The Directors take pleasure in presenting the 21<sup>st</sup> Annual Report, together with the audited financial statements for the year ended March 31, 2016.

**1. FINANCIAL HIGHLIGHTS**

(Rs. in Lakhs)

Particulars	Year ended 31-3-2016	Year ended 31-3-2015
Gross Total Income	779.65	938.55
Profit before Depreciation and Taxes	689.45	849.39
Depreciation	8.46	5.47
Profit before Tax	680.99	843.92
Excess Provision written back for earlier years	Nil	Nil
Provision for Income tax	(125.60)	(160.00)
Deferred Tax (net)	(4.36)	0.71
Net Profit / (Loss) after Tax	551.03	684.63

**2. OPERATIONS**

Your Company's main object is to carry on the business of analysis and research on the financial and other parameters of the entities, both listed or unlisted on the stock exchanges of India and abroad, with a view to advise clients as to whether an investment can be made or otherwise in the shares, stocks, units, debentures, debenture stocks, bonds, mortgages, and securities issued by these companies, corporations or undertakings.

**3. DIRECTORS**

Mrs. Hema B. Rajashekar, Director retires from the Board of Directors by rotation, in pursuance of the provisions of the Companies Act, 2013 and Articles of Association of the Company. Being eligible for re-appointment, she has offered herself for re-appointment. The Board of Directors recommends her re-appointment.

**4. 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 March 31, 2016, 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 1 of the Notes to the Financial Statements have been selected and applied consistently and judgements 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 March 31, 2016 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 systems to ensure compliance with the provisions of all applicable laws were in place and were

adequate and operating effectively.

## 5. DIVIDEND

Your Directors do not recommend payment of dividend for the financial year ended 31<sup>st</sup> March, 2016.

## 6. SHARE CAPITAL

The paid up Equity Share Capital as on 31<sup>st</sup> March, 2016 was Rs.2,40,06,000/-. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. As on 31<sup>st</sup> March, 2016, the Directors of the Company hold the equity shares of the Company as follows:

Name of the Director	Number of Shares	% of Total Capital
Rajashekar S Iyer	15,187	0.63%
Hema B Rajashekar	3,100	0.13%
N. Narayanan	Nil	Nil

## 7. FINANCE

Cash and cash equivalent as at 31<sup>st</sup> March, 2016 was Rs.6,11,58,033/- (as at 31<sup>st</sup> March 2015 Rs. 1,30,56,173). 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.

### 7.1 Deposits

The Company has not accepted deposits from the public and shareholders falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

### 7.2 Particulars of Loans, Guarantees or Investments

The Company has not provided Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013.

## 8. FUTURE ASPECTS

With view to build an operationally efficient organisation that generates a sustainable long term value to its shareholders, as reported in the 20<sup>th</sup> Annual Report, merger of the companies under the same management to form single entity is in process. It is intended this merger of the entities would consolidate their businesses into a single entity which will attain efficiencies and create a unified platform for growth. As stated in the last report, the benefits from the proposed merger are a) Increase in long term value for the shareholders b) De-risking business profile with strong market c) higher brand image & higher confidence d) focused operational efforts e) realizing operational synergies in terms of compliances and governance e) Greater financial strength f) Attracting best talents, increased employee confidence and morale.

The petition for merger is already filed with Hon'ble Bombay High Court and the procedure of merger will be completed after following due course as per the legal provisions.

## 9. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Your Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013. The CSR Policy has been devised on the basis of the recommendations made by the CSR Committee.

Brief outline of Corporate Social Responsibility Policy of the Company: Your Company's Corporate Social Responsibility Policy shall act as a guideline for the Company for undertaking Corporate Social Responsibility ("CSR") activities enumerated under Schedule VII of the Companies Act, 2013 and in particular for supporting local communities on a variety of socially desirable activities with a view to enable high impact of the same and to ensure visible and measurable outcomes of the funds deployed towards such activities.

Scope of the CSR Policy: Your Company's CSR Policy pertains to all activities to be undertaken by the Company towards fulfilling its statutory CSR objectives.

CSR Activities for the Company: Your Company proposes to support/undertake the activities/ projects/ programmes in the following areas as its primary focus. It may, however, undertake and support projects/ programmes in the other areas as may be approved by its Committee that are also designated as permissible activities as per the relevant provisions of the Act and the Rules:

- Promoting education, including special education and employment enhancing vocational skills especially amongst children, women, elderly and the differently abled and livelihood enhancement projects.
- Promoting gender equality and empowering women, setting up hostels and homes for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and undertaking measures for reducing inequalities faced by socially and economically backward groups.
- Ensuring environmental sustainability, ecological sustainability, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water

Composition of CSR Committee: Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the allied rules, the Company has duly constituted the CSR Committee, comprising the following members:

1. Mr. Rajashekar Iyer (Chairman & Managing Director)
2. Mrs. Hema B. Rajashekar (Executive Director),

Average net profit of the Company for last three financial years (2012-13;2013-14;2014-15): Rs. 2,76,50,516 (Previous year Rs. 60,04,269) .

Prescribed CSR expenditure (two per cent of the above amount): Rs. 5,53,011(Previous year Rs. 1,20,085)

Details of CSR spend during the financial year:

(a) Total amount to be spent for the financial year including unspent amount of earlier year: Rs. 6,73,096

(b) Amount unspent, if any: Rs. 6,73,096(Please see Note below)

(c) Manner in which the amount spent during the financial year is detailed below:

1.	2.	3.	4.	5.	6.	7.	8.
S. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programmes (1) Local Area or other (2) Specify the state or district where projects or programmes were undertaken	Amount outlay (Budget) projects or programmes wise (Rs.)	Amount spent on the projects or programmes (1)Direct expenditure on programmes or projects (Rs.) (2) Overheads (Rs.)	Cumulative expenditure up to the reporting period	Amount spent : Directly or Through Implementing Agency
NIL							

In case the Company has failed to spend two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report: The intention of the Corporate Social Responsibility related provisions under the Companies Act, 2013 is to encourage corporates to meaningfully engage in social development, in view of the same, the CSR Committee of the Company recommended to the Board to not allocate any cash flow in the financial year 2015- 16 and take a considered and long term decision and formulate a long

term plan based on the concrete recommendations of the CSR Committee. The said decision was thought fit and proper as the contributions to long term programs would motivate the employees and persons associated with the Company and fulfill the CSR goals of the Company in its true spirit. The CSR Policy of your Company stipulates a transparent monitoring mechanism for implementation of the CSR projects, programs or activities undertaken by the Company which could be achieved by the Company only by undertaking long term programs where it can have a more meaningful participation. Your Company believes that CSR contributions should be spent directly on projects, programs or activities, where an effective impact analysis is possible.

The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with the CSR objectives and Policy of the Company

#### **10. BUSINESS RISK MANAGEMENT**

The nature of risk is dynamic of business and entrepreneurship. The risk to the business is looked after by the Directors of the Company and take necessary steps to mitigate the same.

#### **11. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an adequate internal control system commensurate with the size of the business and a proper internal control system is in operation. The Company monitors and evaluates the efficacy and adequacy of the internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company.

#### **12. MEETINGS OF THE BOARD**

During the year the Company has held Six Board Meetings which were held on 12<sup>th</sup> May 2015, 10<sup>th</sup> August 2015, 27<sup>th</sup> August 2015, 20<sup>th</sup> November 2015, 28<sup>th</sup> January 2016 & 30<sup>th</sup> March 2016. The Board Meetings were held during the year in a manner such that the intervening period between the two consecutive Board Meetings was not more than 120 days as prescribed under Section 173 of the Companies Act, 2013. As per section 167(1)(b), all the directors attended at least one Board Meeting held during the financial year.

#### **13. RELATED PARTY TRANSACTIONS**

During the year the company has not entered into any related party transactions of a material nature except for the payment of remuneration and sitting fees to the directors and the same is disclosed in Notes to Accounts (*Note number 26*).

#### **14. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY**

No significant and material orders were passed by any Regulators or Courts or Tribunals against the Company.

#### **15. AUDITORS**

##### **15.1 Statutory Auditors**

Pursuant to the provisions of Sections 139 and 141 of the Companies Act, 2013, M/s. Pravin Sarvaiya & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office up to the conclusion of 25th Annual General Meeting, subject to the ratification by the members at every Annual General Meeting to be held during their term. The Board recommends the ratification of appointment of M/s. Pravin Sarvaiya & Co, Chartered Accountants, as Statutory Auditors of the Company for financial year 2016 -17, to the members at the ensuing Annual General Meeting.

##### **15.2 Cost Auditors**

The Company is not required to maintain cost records as per the Companies (Cost Records and Audit) Amendments Rules, 2014.

#### **16. AUDIT COMMITTEE**

The Company is not required to constitute an Audit Committee since it does not fall within the class of companies prescribed under The Companies (Meetings of the Board and its Powers) Rules, 2014.

**17. NOMINATION AND REMUNERATION COMMITTEE**

The Company is not required to constitute a Nomination and Remuneration Committee since it does not fall within the class of companies prescribed under The Companies (Meetings of the Board and its Powers) Rules, 2014.

**18. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

In accordance with provisions of Section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, the required information is not given as it is not applicable to the Company.

**19. EXTRACT OF ANNUAL RETURN**

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

**20. PARTICULARS OF EMPLOYEES**

The Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**21. ACKNOWLEDGEMENT**

Your Directors take this opportunity to express their appreciation of the excellent co-operation received from the Government, Company's Bankers, Shareholders, employees and all Associates.

**For and on behalf of the Board**

Place: Mumbai

Date: 24<sup>th</sup> August 2016

 Value  
Research  
Rajashekar Iyer  
Chairman & Managing Director