

VALLEY INDIANA LEISURE LIMITED
12th Annual Report
2005-2006



Registered Office :
VALLEY INDIANA LEISURE LIMITED
39- Advani Market, O/s. Delhi Gate, Shahibaug,
Ahmedabad - 380 004

VALLEY INDIANA LEISURE LIMITED**11th Annual Report**

Board of Directors : **Shri Radheshyam L. Kabra** - Chairman
: **Shri Ramprakash L. Kabra** - Managing Director
: **Shri Kapil G. Kabra** - Director
: **Shri Gopal M. Kabra** - Director

Auditors : **M/s. Bharadia & Singh**
Chartered Accountants
Ahmedabad

Registered Office : 39-Advani Market,
O/s. Delhi Gate,
Shahibaug,
Ahmedabad - 380 004

**Registrar and
Share Transfer Agent** : **M/s. MCS Limited**
Shatdal Complex,
Ashram Road,
Navrangpura,
Ahmedabad - 380 009

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VALLEY INDIANA LEISURE LIMITED***12th Annual Report*****NOTICE**

Notice is hereby given that the 12th Annual General Meeting of the Members of the Company will be held on Saturday, the 30th day of September 2006 at 10.30 a.m. at the Registered office of the Company at 39- Advani Market, O/s. Delhi Gate, Shahibaug, Ahmedabad – 380 004, to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2006 and Profit and Loss Account for the year ended on that date together with the Reports of the Director's and Auditor's thereon.
2. To appoint a Director in place of Shri Radheshyam L. Kabra, who retires by rotation and being eligible offers himself for re appointment.
3. To appoint auditors to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modifications, the following as Special Resolution.

"RESOLVED THAT Mr. Kapil G. Kabra, who was appointed as an additional director of the company by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing under section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation."

On Behalf of Board of Directors

Date :- 28/07/2006
Place:- Ahmedabad

Radheshyam L. Kabra
DIRECTOR

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE FOR HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The proxy form duly completed and signed should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. The Register of Members and Share Transfer books of the Company will remain closed from Monday, 25th September, 2005 to Saturday, 30th September, 2006 (both days inclusive).

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**ITEM NO. 4**

The Board of Directors at the meeting held on 01st October, 2005 appointed Mr. Kapil G. Kabra as Additional Director of the Company in accordance with the provisions of Section 260 of the Companies Act, 1956. Pursuant to Section 26, the above directors hold office upto the date of ensuing Annual General meeting. The Company has received notice (s) from a member of the Company under Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director.

Keeping in view the experience and qualification of Mr. Kapil G. Kabra, your directors considered it to be in the interest of the Company, if he is appointed as Director of the Company liable to retire by rotation as per the provisions of the Companies Act, 1956.

Your Director therefore recommend the said resolution for your approval.

Mr. Kapil G. Kabra, may be deemed to be concerned or interested in the resolution relating to his appointment. None of the other directors are, in any way, concerned or interested in the said resolution.

On Behalf of Board of Directors

Date :- 28/07/2006
Place:- Ahmedabad

DIRECTOR

VALLEY INDIANA LEISURE LIMITED***12th Annual Report*****DIRECTORS' REPORT**

To,
The Members
Valley Indiana Leisure Limited
 Ahmedabad

The Directors are pleased to present their 12th Annual Report and Audited Statement of Account for the year ended on 31st March 2006.

1. FINANCIAL RESULTS

The Company had during the year under review achieved sales turnover of Rs. 561.54 Lacs as compared to that of Rs. 37.34 Lacs during the previous accounting year. The Company has earned net profit of Rs.1056249/- as compared to Rs. 2,30,507/- in the previous year.

2. OPERATIONS:-

The performance of the Company has continued to suffer heavily during the year under review. The Company has suffered heavily due to liquidity crunch and could not take the opportunities, which came its way during the year under review. The Company has been able to achieve the negligible turnover from the internal resources generated by the Company.

Your Directors are sanguine to achieve better results in next year.

3. DIVIDEND

Your Directors do not recommend any dividend in view of the inadequate profits.

4. PARTICULARS OF EMPLOYEES

The Company does not have any employees who was in the receipt of remuneration aggregating to the sum prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) (Amendment) Rules, 2000.

5. CONSERVATION OF ENERGY

In terms of Section 217 (1) (e) of the Companies Act, 1956, information relating to Conservation of Energy, Technology absorption, Foreign Exchange earning and Outgo is not required as the Company is not engaged in manufacturing activities.

6. DIRECTORS

Mr. Radheshyam L. Kabra Director retire by rotation and being eligible offers himself for re-appointment.

Mr. Kapil G. Kabra was appointed as an Additional Director w.e.f 01.10.2005. Mr. Kapil G. Kabra aged 24 years is a commerce graduate and LLB.

7. AUDITORS:

M/s. Bharadia & Singh, Chartered Accountants, Ahmedabad retire as Auditors of the Company at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. M/s. Bharadia & Singh, Chartered Accountants, Ahmedabad the present Auditors has furnished certificate u/s 224 (1) (b). Members are requested to re-appoint M/s. Bharadia & Singh as the Auditors of the Company and authorise the Board of Directors to fix their remuneration.

8. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217(2AA) of the Companies Act 1956, your directors confirm that :-

- (a) In the preparation of the accounts the applicable Accounting Standards have been followed;
- (b) They have selected such accounting policies & applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair state of the affairs of the Company as at 31st March 2006 and of the Profit of the Company for the year ended on that date;
- (c) They have taken proper and sufficient care for the maintenance of adequate accounting records

VALLEY INDIANA LEISURE LIMITED***12th Annual Report***

in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) They have prepared the annual accounts on a going concern basis.

9. ACKNOWLEDGEMENT

The Directors wish to thank Customers, Business Associates, Bankers, Government Authorities, and Shareholders for their continued support. The Directors also wish to place on record their appreciation of the dedicated and untiring hard work put in by the employees at all levels.

On Behalf of Board of Directors

Date :- 28/07/2006
Place:- Ahmedabad

Radheshyam L. Kabra
DIRECTOR

MANAGEMENT DISCUSSION AND ANALYSIS

The Financial Statement of the Company have been prepared in compliance with the requirements of the Companies Act, 1956. There are no material departures from prescribed accounting standards in the adoption of accounting standards. The Management of the Company accepts responsibility for the integrity and objective of these financial statement as well as for various estimates and judgements used therein. The estimates and judgement relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statement reflect in a true and fair manner. The form and substance of transactions reasonably represent the Company's state of affairs and profits for the year.

RISKS AND MANAGEMENT PERCEPTION

There are no risks or concerns other than those, which are common, such as rise in material prices and availability of credit, downturn in economy, civil disturbances and warlike situations.

The operation of the Company are subject to general business risks and competition in the industry and Trade.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

Adequate system of internal control is in place, which assures us of:

- i. Proper recording and safeguarding of assets.
- ii. Maintaining proper accounting records and reliability of financial information.

We also have a regular monitoring of business risk control procedures by the Internal Audit department, which is reviewed by the Audit Committee.

OUTLOOK

As India progressively moves to a free market environment. The Company will have increased access to the Indian market.

CAUTIONARY STATEMENT

Statements in this Management's Discussion and Analysis detailing the Company's objectives, projections, estimates, expectations or predictions may be "forward - looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price condition in the domestic markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

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*12th Annual Report***REPORT ON CORPORATE GOVERNANCE****1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

The Company's philosophy on Corporate Governance envisages the attainment of the high level of transparency and accountability in the functioning of the Company. The Company believes that good corporate governance contemplates that corporate actions balance the interest of all shareholders and satisfy the tests of accountability, transparency.

2. BOARD OF DIRECTORS:

The Board of Directors comprises of four Directors all professionals in their own right. The composition of Board of director, the number of other directorship or board committees of which he is a member/ chairperson are as under ;

Name and Designation of Directors	Category	No. of Board Meeting Attended	No. of other Directorship held in Cos. As on 31st March, 2006	Attendance at last AGM	No. of Committee positions held in other Cos.
Mr. Radheshyam L. Kabra Chairman	Non-Executive Director	7	1	Yes	NIL
Mr. Ramprakash L. Kabra* Managing Director	Executive Director	7	3	Yes	3
Mr. Kapil G. Kabra Director	Independent Non-Executive Director	3	NIL	No	NIL
Mr. Gopal M. Kabra** Director	Independent Non-Executive Director	6	NIL	No	NIL

* Mr. Kapil G. Kabra was appointed as Director of the Company w.e.f. 01/10/2005 in the Board meeting held on 01/10/2005 subject to the approval of members in the ensuing Annual General Meeting.

BOARD MEETINGS :

The meetings of the Board of Directors are generally held at the Registered office of the Company at Ahmedabad. Meetings are scheduled well in advance. The Board meets at least once a quarter to review the quarterly performance and the financial results.

The Chairman prepares the agenda for the meeting. The Board papers are circulated to the directors in advance. The members of the Board have access to all information of the Company and are free to recommend inclusion of any matter in the agenda for discussion.

The Board met seven times on the following dates during the financial year 2005-2006 and the maximum time gap between two meetings did not exceed four months. (On 30/04/2005, 30/07/2005, 13/08/2005, 01/10/2005, 26/12/2005, 31/01/2006 and 20/03/2006)

3. COMMITTEES OF BOARD:**A. AUDIT COMMITTEE :**

Terms of reference & Composition :

The terms of reference of this committee cover the matters specified for Audit Committees under Clause 49 (II)(D) of the Listing Agreement.

VALLEY INDIANA LEISURE LIMITED***12th Annual Report*****Composition :**

The Committee has been reconstituted w.e.f. 01.10.2005. The Audit Committee during the year under review comprised of three non-executive director majority being independent viz. Mr. Gopal M. Kabra, Mr. Radheshyam L. Kabra and Mr. Kapil G. Kabra. The committee is constituted in accordance with the provisions of the Listing Agreement.

The Committee consists of two independent directors and one non-executive director. The attendance of each member of the committee is given here below:

The Audit Committee met four times during the year under review. The Committee also met prior to the finalisation of accounts for the year ended March 31,2006.

Name	Designation	No. of Committee meeting attended
Mr. Gopal M. Kabra	Chairman	4
Mr. Kapil G. Kabra*	Member	2
Mr. Radheshyam, L. Kabra	Member	4
Mr. Ramswaroop L. Kabra*	Member	2

Mr. Kapil G. Kabra was appointed as member of the Committee in place of Mr. Ramswaroop L. Kabra w.e.f 01.10.2005.

The representative of the statutory auditor of the company attended the meeting in which the annual accounts were discussed. Other executives of finance department were also called for in meeting as and when required.

B. REMUNERATION COMMITTEE:

The remuneration Committee was constituted by the Board of Directors. The Committee's objective is to evaluate compensation and other benefits for Executive Directors subject to the Board of Directors and Members approval.

Details of remuneration to Directors

The Company has paid remuneration of Rs.1,80,000/- to Mr. Ramprakash L. Kabra as Managing Directors of the Company 2005-2006

C. SHAREHOLDERS / INVESTORS' GRIEVANCE COMMITTEE:

The Company has an independent Shareholders / Investors Grievance Committee, to look into redressal of investors' complaints and requests like delay in transfer of shares, non-receipts of annual report etc.

The committee comprises of Two Independent Directors and One Non Executive Director. Mr. Gopal M. Kabra is the Chairman of the Committee and Mr. Kapil G. Kabra and Mr. Radheshyam L. Kabra are members of the Committee.

□ Details of Shareholders' Complaints Received:

During the year ended on 31st March, 2006, the Company has not received any complaints. There are no complaints outstanding as on 31st March, 2006. Normally all the complaints are disposed off within 15 days.

4. GENERAL BODY MEETINGS:

Particulars of last three Annual General Meetings: