

VALUE INDUSTRIES LIMITED



Annual Report 2009-10

VALUE INDUSTRIES LIMITED

BOARD OF DIRECTORS

Venugopal N. Dhoot
Pradipkumar N. Dhoot
Naveen B. Mandhana
Subhash S. Dayama
Avinash H. Malpani

AUDITORS

KHANDELWAL JAIN & CO.

Chartered Accountants
12-B, Baldota Bhavan,
117, Maharshi Karve Road,
Opp. Churchgate Railway Station,
Mumbai - 400 020

KADAM & CO.

Chartered Accountants
“Vedant”, 8/9 Viraj Estate,
Opp. Tarakpur Bus Stand,
Ahmednagar - 414 003

BANKERS

Allahabad Bank
Axis Bank Ltd.
Bank of Baroda
Bank of India
Indian Bank

Punjab National Bank
State Bank of Bikaner & Jaipur
State Bank of India
The Federal Bank Ltd.
UCO Bank

COMPANY SECRETARY

Nisha Khandelwal

REGISTERED OFFICE

14 K.M. Stone,
Aurangabad – Paithan Road,
Village: Chittegaon, Taluka: Paithan,
District: Aurangabad - 431 105
(Maharashtra)

MANUFACTURING FACILITY

15 K.M. Stone,
Aurangabad – Paithan Road,
Village: Chittegaon, Taluka: Paithan,
District: Aurangabad - 431 105
(Maharashtra)

Contents	Page No.	Contents	Page No.
Notice	1	Profit and Loss Account.....	17
Directors' Report.....	2	Cash Flow Statement	18
Corporate Governance Report	5	Schedules.....	19
Management Discussion and Analysis Report.....	11	Notes to Accounts	26
Auditors' Report.....	14	Balance Sheet Abstract & Company's General Business Profile	30
Balance Sheet	16		

NOTICE

NOTICE is hereby given that the Twenty-Third Annual General Meeting of the members of **VALUE INDUSTRIES LIMITED** (the "Company") will be held on Wednesday, 29th June, 2011, at the Registered Office of the Company at 14 K. M. Stone, Aurangabad-Paithan Road, Village: Chittegaon, Taluka: Paithan, District: Aurangabad - 431 105 (Maharashtra) at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the period ended 31st December, 2010 and the Audited Balance Sheet as at that date together with the Report of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a director in place of Mr. Subhash S. Dayama, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. Naveen B. Mandhana, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Auditors, fix their remuneration and to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. Khandelwal Jain & Co., Chartered Accountants, Mumbai (Firm Registration No. 105049W) and M/s. Kadam & Co., Chartered Accountants, Ahmednagar (Firm Registration No. 104524W), be and are hereby appointed as Auditors of the Company, 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 shall be fixed by the Board of Directors of the Company."

By order of the Board of Directors of
VALUE INDUSTRIES LIMITED

NISHA KHANDELWAL
Company Secretary

Place: Mumbai
Date : 26th May, 2011

Registered Office:

14 K.M. Stone, Aurangabad-Paithan Road,
Village: Chittegaon, Taluka: Paithan,
District: Aurangabad – 431 105 (Maharashtra)

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Corporate members intending to send their authorised representative(s) to attend the Meeting are requested to send a certified copy of the Board Resolution authorising such representative(s) to attend and vote on their behalf at the Meeting.
3. In terms of the provisions of the Articles of Association of the Company, Mr. Subhash S. Dayama and Mr. Naveen B. Mandhana, Directors, are liable to retire by rotation at the ensuing Annual General Meeting and, being eligible, have offered themselves for re-appointment. Pursuant to Clause 49 of the Listing Agreement, a brief profile of the said Directors seeking re-appointment at the meeting forms part of the Corporate Governance Report. The Board of Directors of your Company commends their re-appointment.
4. Members, who hold shares in dematerialized form, are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip and bring their Attendance Slip, as enclosed, alongwith their copy of Annual Report to the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names, shall be entitled to vote.

6. The Register of Members and Share Transfer Books shall be closed from Thursday, 16th June, 2011 to Wednesday, 29th June, 2011 (both days inclusive) for determining the shareholders' entitlement for dividend on equity shares.
7. The dividend, as recommended by the Board of Directors, if declared at the Meeting, will be paid on or around Monday, 4th July, 2011 (tentative) to those Members who hold shares in physical form and whose names appear on the Company's Register of Members on 16th June, 2011. As regards shares held in electronic form, the dividend will be paid to the beneficial owners of the shares, as at the close of business hours on 15th June, 2011, as per the particulars of beneficial ownership furnished by National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL").
8. Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956, the Company has transferred the unclaimed dividend of a sum of ₹ 1.01 Million for the financial year 2002-03 to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Dividends for the financial year ended 2003-04 and thereafter, which remain unclaimed for a period of seven years will be transferred to the IEPF. Members who have not encashed dividend warrant(s)/ instrument(s) for the said years are requested to obtain duplicate warrant(s)/demand drafts by writing to the Company's Registrar and Transfer Agent, M/s. MCS Limited. Members are requested to note that upon transfer, no claims shall lie against the Company or the IEPF in respect of any amounts which remained unclaimed and unpaid for a period of seven years from the dates they first became due for payment and no payment shall be made in respect of any such claims.
9. Members who hold shares in physical form, under multiple folios, in identical names or joint accounts in the same order of names, are requested to send the share certificates to M/s. MCS Limited, Registrar and Transfer Agent of the Company, for consolidation into a single folio.
10. The equity shares of the Company are compulsorily tradable in electronic form and your Company has established connectivity with both the depositories i.e. NSDL and CDSL. Taking into consideration the enormous advantages offered by the Depository System, Members are requested to avail the facility of dematerialization of the Company's shares on either of the depositories, as aforesaid.
11. Relevant documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days between 12.00 noon to 3.00 p.m. upto the date of the Meeting.
12. The Ministry of Corporate Affairs ("MCA"), Government of India, through its Circular No. 17 / 2011 dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011 has allowed companies to send Annual Report comprising of Balance Sheet, Profit & Loss Account, Directors' Report, Auditors' Report and Explanatory Statement etc., through electronic mode to the registered e-mail address of the members. Keeping in view the underlying theme and the circulars issued by MCA, we propose to send future communications in electronic mode to the e-mail address provided by you to the depositories and made available by them being the registered address. By opting to receive communication through electronic mode you have the benefit of receiving communications promptly and avoiding loss in postal transit.

Members who hold shares in physical form and desire to receive the documents in electronic mode are requested to provide their details (name, folio no, e-mail id) on the Company's e-mail address viz. secretarial_value@videoconmail.com. Members who hold shares in electronic form are requested to get their details updated with the respective Depositories.

By order of the Board of Directors of
VALUE INDUSTRIES LIMITED

NISHA KHANDELWAL
Company Secretary

Place: Mumbai
Date : 26th May, 2011
Registered Office:
14 K.M. Stone, Aurangabad-Paithan Road,
Village: Chittegaon, Taluka: Paithan,
District: Aurangabad – 431 105 (Maharashtra)

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are delighted to present the Twenty-Third Annual Report of the Company together with the Audited Accounts and Auditors' Report for the period ended 31st December, 2010.

FINANCIAL RESULTS AND OPERATIONS

The performance of the Company for the period ended 31st December, 2010, is summarized hereunder:

Particulars	₹ Million	
	15 months ended 31st December, 2010	12 months ended 30th September, 2009
Net Sales	17,136.27	12,041.78
Other Income	97.09	19.80
Total Income	17,233.36	12,061.58
Profit before Interest, Depreciation and Tax	2,064.83	1,455.76
Interest	792.20	578.94
Depreciation, Amortisation and Impairment	1,042.24	802.07
Profit before Tax	230.39	74.75
Provision for Taxation	69.85	25.34
Profit for the period/year	160.54	49.41

The total income of the Company, during this period, increased to ₹ 17,233.36 Million as against ₹ 12,061.58 Million for the previous financial year ended on 30th September, 2009. Correspondingly, the Profit for the period increased to ₹ 160.54 Million as against ₹ 49.41 Million for the year ended on 30th September, 2009.

EXTENSION OF FINANCIAL YEAR

The Financial Year of the Company was extended by a period of three months. Accordingly, the Financial Year under review comprises of a period of fifteen months commencing from 1st October, 2009 and ending on 31st December, 2010. Subsequent Financial Years shall be from 1st January to 31st December.

DIVIDEND

Considering the financial performance of the Company and Company's policy to pay sustainable dividend, your Directors are pleased to recommend a dividend of ₹ 1.00 per equity share, (Previous year, ₹ 1.00 per equity share), on the equity shares of the Company for the period ended 31st December, 2010, for approval of shareholders of the Company.

TRANSFER TO RESERVE

Your Directors propose to transfer an amount of ₹ 20.00 million to the General Reserve and an amount of ₹ 6.15 million to Capital Redemption Reserve. After appropriations, the balance remaining of the Profit and Loss Account amounting to ₹ 849.12 million is proposed to be carried to the Balance Sheet.

FIXED DEPOSIT

During the period under review, the Company has not accepted/renewed any deposit within the meaning of Section 58A of the Companies Act, 1956 and as such, no amount of principal/interest was outstanding as on the balance sheet date.

PARTICULARS OF EMPLOYEES

The Company does not have any employee whose particulars are required to be furnished under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended from time to time.

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the period under review, Foreign Exchange outflow amounted to ₹ 1,203.24 million as against ₹ 1,077.05 million for the previous year. There were no Foreign Exchange Earnings during the current and previous period/year under review.

CONSERVATION OF ENERGY

Your Company believes in sustainable consumption of natural resources and the conservation of energy remains a key focus area at all times. The Company continues its efforts for the betterment of the environment. The Company gives utmost importance to the conservation of energy as a part of its Corporate Social Responsibility and is committed to produce eco-friendly products and adopt eco-friendly practices in all its areas of operations.

The Company has undertaken several initiatives to reduce energy consumptions at different levels. The implementation progress of these initiatives, led by In-House Team of Experts, is reported at regular intervals. The In-House Team submits its findings on various energy consumption centers highlighting the measures taken for conservation of energy and their implementation status, at scheduled intervals, for management consideration. Further corrective measures are taken as appropriate.

Key Energy Conservation initiatives taken, during the period under review, by the Company are outlined as under:

- Reduction of fuel consumption;
- Installation of Natural Ventilators in the plant for exhaust in balance areas;
- Auto shut-off of air conditioners and other equipments during lunch breaks and during shift change;
- Replacement of conventional tube lights by CFL tube lights, to save energy; and
- Preventive maintenance of various equipments to keep them in good condition.

As a result, there is a reduction in maintenance cost, machine downtime and thereby savings in unit consumption which has helped in reducing the overall cost of production.

RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORPTION

The future of any business depends upon its ability to upgrade existing products and innovate new products by continuously performing research and development activities and finding ways to blend in the latest technology. Your Company understands the role of Research and Development (R & D) activities in the areas in which it operates. It is the need of the hour to provide modernized technologies at affordable prices, so as to sustain competitive environment.

The R & D Centre of the Company works towards achievement of this goal. At the R & D Centre, new innovative and quality products are developed to provide our customers with better value for their money. The In-House Team of experts is committed towards developing new versions of products, improved process of manufacturing various parts and assembling the same.

The R & D Centre of the Company is focused towards the following:

- To provide effective support and assurance to manufacturing plants and businesses.
- To balance technology sourcing by a flexible strategy of smart buying, fast customization and flagship development of key technologies.
- To improve technical productivity on a continuous basis.
- To create a high performance environment to promote innovation.
- To identify and support various opportunities in technological development to add value across the businesses of the Company.
- To cut down the cost of production.

The R & D initiatives undertaken by the Company have resulted in maximizing product yield; improved products quality; optimization of efficiency and reliability of plant processes by using advanced tools and technology developed by the team and higher consumer satisfaction.

During the period under review, the R & D expenses amounted to ₹ 10.90 million representing 0.06% of turnover.

Future Plan of Action:

1. Intensify the R & D efforts in quality improvement and energy conservation products.
2. Develop cost effective intelligent home appliances solutions, particularly for Air Conditioners, for optimizing energy cost.
3. Design and develop technologies that give higher reliability.
4. Extend the technology to other related areas like manufacturing of components which are procured from market.

INFORMATION TECHNOLOGY

Information Technology (IT) provides a number of options for data analysis; processing and storage enabling business decision making; and productivity. Your Company understands the importance of IT and has implemented mySAP, a customized ERP programme. The ERP

system supports the essential functions of the business processes and operations efficiently and manages financials, operations and human resource management. These segments revolve around automated processes eliminating repetition of tasks; loss due to human error and risks involved due to negligence of timely upgrades. The sophistication of the modern work stations and general working conditions has become better due to the development of Information Technology.

HEALTH AND SAFETY

Your Company believes in effective healthcare of its employees; and building healthy working atmosphere in all areas of work. Health promotional activities like regular checkups, timely preventions against contagious diseases are part of the employee's yearly health agenda at the Company. Many health care facilities are also extended to employees' family members.

Safe manufacturing practices are critical part of Company's Overall Value System. Training and checks are conducted frequently during the period.

The Company further emphasizes on providing a healthy, safe and motivational environment ensuring the development of the employee with that of the Company.

INDUSTRIAL RELATIONS

Your Company continues to enjoy the support from the workforce. Industrial Relations were cordial during the period under review.

DIRECTORS

The Board of Directors of the Company is duly constituted and there is no change in the composition of the Board of Directors of the Company, during the period under review.

Pursuant to the provisions of the Companies Act, 1956 and in terms of the Articles of Association of the Company, Mr. Subhash S. Dayama and Mr. Naveen B. Mandhana, Directors, retire by rotation at the ensuing Annual General Meeting and, being eligible, have offered themselves for re-appointment. The Board recommends re-appointment of Mr. Subhash S. Dayama and Mr. Naveen B. Mandhana.

Pursuant to the provisions of the Clause 49 of the Listing Agreement, a brief profile of the Directors proposed to be re-appointed forms part of the Corporate Governance Report.

AUDITORS

M/s. Khandelwal Jain & Co., Chartered Accountants, Mumbai and M/s. Kadam & Co., Chartered Accountants, Ahmednagar, Auditors of the Company, retire at the conclusion of ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment. Your Directors recommend their re-appointment at the ensuing Annual General Meeting.

The Company has received certificates from the said Auditors to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

VALUE INDUSTRIES LIMITED

AUDITORS' REPORT

The Auditors' Report is unqualified. The notes to Accounts, referred to in the Auditors' Report, are self-explanatory and therefore, do not call for further clarifications under Section 217(3) of the Companies Act, 1956.

AUDIT COMMITTEE

The Company has constituted the Audit Committee, pursuant to the provisions of Section 292A of the Companies Act, 1956 and provisions of the Listing Agreement. The composition, scope and powers of Audit Committee together with details of meetings held during the period under review forms part of Corporate Governance Report.

SUBSIDIARY

The Company does not have any subsidiary.

CASH FLOW STATEMENT

The Cash Flow Statement for the financial period ended 31st December, 2010, in conformity with the provisions of Clause 32 of the Listing Agreement with the Stock Exchange(s), is annexed hereto.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed review of performance and future prospects is included in the section 'Management Discussion and Analysis' of the Annual Report.

CORPORATE GOVERNANCE REPORT

Your Company believes in practicing highest standards of governance in all business activities that it carries. It considers Corporate Governance as one of the most important instrument enabling in discharging its economic and social responsibilities.

A separate section on Corporate Governance together with a Compliance Certificate from the Statutory Auditors of the Company forms part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

The Audited Accounts for the period under review are in conformity with the requirements of the Companies Act, 1956 and the Accounting Standards. The Financial Statements reflect fairly the form and substances of transactions carried out; and reasonably present the Company's financial condition and results of operations. Your Directors confirm:

- a) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;

- b) that the accounting policies selected have been applied consistently; and judgements and estimates are 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 December, 2010 and of the profit of the Company for the period 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 this Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; and
- d) that the Annual Accounts of the Company have been prepared on 'going concern' basis.

APPRECIATION

Your Directors record their grateful appreciation for the encouragement, assistance, co-operation and consistent support received from Members, Government Authorities, Banks, Financial Institutions, Business Partners and Customers. We also thank them for the trust they reposed in the Management and wish to thank all employees for their commitment and contributions.

The Directors would also like to thank all stakeholders for the continued confidence and trust placed by them with the Company.

For and on behalf of Board of Directors
VALUE INDUSTRIES LIMITED

V. N. DHOOT
Director

N. B. MANDHANA
Director

Place : Mumbai

Date : 26th May, 2011

CORPORATE GOVERNANCE REPORT

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the Corporate Governance Report forms part of the Annual Report. A certificate from the Statutory Auditors of the Company confirming compliance of the Corporate Governance is appended to the Report on Corporate Governance.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company believes that ethics are very important in any business as they are directly related to the goodwill of the Company.

The Corporate Governance Policy of the Company is based on principles of equity and ensures the following:

- Proper composition of the Board of Directors;
- Timely dissemination of material information to the Stakeholders concerning their interests;
- Adequate Internal Checks and Balances;
- Transparency and Accountability; and
- Compliance with the applicable laws and regulations.

The Company is in compliance with the requirements of Clause 49 of the Listing Agreement. The details of Compliances are detailed hereunder:

BOARD OF DIRECTORS

Composition as on 31st December, 2010:

The Board of your Company comprises of 5 (five) Directors, being eminent persons, having experience in diverse fields viz. Finance, Manufacturing, Marketing and Capital Markets.

The particulars of attendance (including participation through audio, conference) and other associations of the Board of Directors are as under:

Sr. No.	Name	Whether attended AGM held on 30th March, 2010	Attendance in Board Meeting	Other Directorships			
				Directorship@	Company Chairmanship	Committee Chairmanship#	Committee Membership#
1.	Venugopal N. Dhoot	X	8	12	1	2	4
2.	Pradipkumar N. Dhoot	X	5	14	0	0	5
3.	Naveen B. Mandhana	X	5	8	0	2	0
4.	Avinash H. Malpani	X	5	0	0	0	0
5.	Subhash S. Dayama	Yes	10	13	0	4	3

@ Directorships held by the directors do not include alternate directorships, directorships in foreign companies, companies incorporated under Section 25 of the Companies Act, 1956 and private limited companies.

As per Clause 49 of the Listing Agreement, Membership/ Chairmanships of only the Audit Committee and Shareholder/ Investors' Grievance Committee of Public Limited Companies have been considered.

Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot are relatives within the meaning of Section 6(c) of the Companies Act, 1956.

Brief profile/details (as on 26 May, 2011) of the Directors proposed to be re-appointed, as required in the terms of the provisions of the Clause 49 of the Listing Agreement:

Sr. No.	Particulars	Profile of the Director	
		Mr. Naveen B. Mandhana	Mr. Subhash S. Dayama
1.	Name of the Director	Mr. Naveen B. Mandhana	Mr. Subhash S. Dayama
1.	Date of Birth	18th September, 1956	5th May, 1961
2.	Educational Qualification	Engineering Graduate	Commerce Graduate
3.	Date of appointment on the Board	8th March, 1988	8th December, 2005
4.	Category of the Director	Independent Director	Independent Director
5.	Area of Expertise / Senior Position Held / Work Experience	He carries with him more than 3 decades of experience in the fields of Manufacturing, Technical, Finance and Marketing	He carries with him more than 2 decades of experience in the fields of Capital Market, Finance, Management and Administration
6.	Details of Directorships in other Public Limited Companies (including subsidiaries of Public Company) as on date:	1. Next Retail India Limited 2. Videocon Semiconductor Limited 3. Qualcon Infra Limited 4. Videocon Display Limited 5. Videocon Oil Services Limited 6. Panorama Logistic Solutions Limited 7. Velogis-Net India Limited 8. Ram Ratna Wires Limited	1. Trend Electronics Limited 2. Maharashtra Semiconductor & Displays Limited 3. Pacific Appliances Manufacturing & Trading Limited 4. PE Electronics Limited 5. Evans Fraser & Co. (India) Limited 6. Shree Dhoot Trading and Agencies Limited 7. Universal Digital Connect Limited 8. Videocon Telecommunications Limited 9. Videocon Energy Limited 10. Videocon Realty And Infrastructures Limited 11. Videocon Oil Ventures Limited 12. Jumbo Techno Services Private Limited 13. Senior Consulting Private Limited

VALUE INDUSTRIES LIMITED

Sr. No.	Particulars	Profile of the Director	
		Mr. Naveen B. Mandhana	Mr. Subhash S. Dayama
7.	Names of the other Committees in which Chairman	1. Next Retail India Limited - Audit Committee 2. Videocon Display Limited - Audit Committee	1. Videocon Telecommunications Limited - Audit Committee and Share Transfer Committee 2. Videocon Realty And Infrastructures Limited - Audit Committee 3. Jumbo Techno Services Private Limited - Audit Committee
8.	Names of the other Committees in which Member	NIL	1. Videocon Energy Limited - Audit Committee 2. Videocon Oil Ventures Limited - Audit Committee 3. Trend Electronics Limited - Shareholders'/Investors' Grievance Committee 4. Evans Fraser And Co. (India) Limited - Audit Committee
9.	No. of Shares held	Nil	Nil

BOARD COMMITTEES

The Board has constituted 3 (three) Committees viz. Audit Committee, Shareholders'/ Investors' Grievance Committee and Remuneration Committee. The Board defines the terms of reference of these Committees. The members of the Committees are elected by the Board and co-opted by the respective Committees.

AUDIT COMMITTEE

Composition as on 31st December, 2010, Meetings and Attendances:

During the period under review, the Committee met 6 (six) times on the following dates:

31st October, 2009, 30th January, 2010, 19th February, 2010, 14th May, 2010, 11th August, 2010 and 13th November, 2010.

The composition, meetings and attendances of members of the Audit Committee are as under:

Name of the Member	Category	No. of Meetings held during the tenure	No. of Meetings Attended
Mr. Subhash S. Dayama	Chairman - Independent	6	6
Mr. Avinash H. Malpani	Independent	6	4
Mr. Naveen B. Mandhana	Independent	6	3

All the members of the Audit Committee possess financial/accounting expertise/exposure. The composition of the Audit Committee satisfy the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The Statutory Auditors, Cost Auditors, Head of Internal Audit and other key officials attended and participated in the Audit Committee Meetings, on invitation. The Company Secretary is the Secretary of the Committee.

The role of Audit Committee is as under:

- Overall assessment of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending and appointment/re-appointment and if required, the replacement or removal of statutory auditors, fixation of audit fees and also approval for payment for any other services rendered by the statutory auditors.
- Reviewing with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
 - Changes, if any, in accounting policies and practices.
 - Major accounting entries based on the exercise of judgement by management.
 - Significant changes/amendments, if any, arising out of audit.
 - Compliance with stock exchange and legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report.
 - Compliance with accounting standards.
 - The going concern assumption.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.

- Reviewing, with the management, if any, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing, with the management the performance of statutory and internal auditors, adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors for any significant findings and follow up there on.
- Reviewing the findings, if any, of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism.
- Approval of appointment of CFO (i.e., the Whole Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

The Audit Committee also reviews the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters/ letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief Internal Auditor.

The Audit Committee is vested with the powers, inter-alia, including the following:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Committee not only performs the roles as laid down in Listing Agreement, including issue of duplicate certificates and reviewing transfer of securities of the Company, but also oversees performance of the Registrar and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services. The Committee further monitors violation of the code of conduct prescribed by the Company for prevention of insider trading.

The scope of activities of the Committee involves:

- Transfer of Shares
- Transmission of shares
- Issue of Duplicate Share Certificates
- Change of Status
- Change of Name
- Transposition of Shares
- Sub-division of Shares
- Allotment of Securities
- Consolidation of Folios
- Requests for Dematerialisation/Rematerialisation of Shares

The power of share transfer has been delegated to M/s. MCS Limited, Registrar and Share Transfer Agent of the Company, who processes the transfers.

Composition as on 31st December, 2010, Meetings and Attendances:

During the period under review, the Committee met 5 (five) times on the following dates: 3rd November, 2009, 30th January, 2010, 20th May, 2010, 14th August, 2010 and 15th November, 2010.

The composition, meetings and attendances of Directors are as follows:

Name	Category	No. of Meetings held during the tenure	No. of Meetings Attended
Mr. Avinash H. Malpani	Chairman – Independent	5	4
Mr. Naveen B. Mandhana	Independent	5	3
Mr. Pradipkumar N. Dhoot	Promoter – Non-Executive	5	3

Compliance Officer:

Ms. Nisha Khandelwal, Company Secretary, is the Compliance Officer of the Company.

Details of Share Transfer/ Demat/ Remat:

During the financial period under review, 61 (Sixty-one) Sub-Committee Meetings were held. The transfer, dematerialization and rematerialisation requests received from the shareholders were received and approved, particulars of which are as under:

Number of transfers	422
Number of shares transferred	44,821
Average number of transfers per month	28
Number of demat request approved	1,237
Number of shares dematerialized	149,697
Percentage of shares dematerialized	0.38%
Number of remat request approved	1
Number of shares rematerialized	28

During the period under review, the details of complaints received and redressed are as under:

Particular	Received	Redressed	Pending as on 31st December, 2010
Non-Receipt of Refund Order	0	0	NIL
Non-Receipt of Dividend/ Interest / Redemption Warrants	225	225	NIL
Non-Receipt of Share Certificate	40	40	NIL
Others	91	91	NIL
Total	356	356	NIL

REMUNERATION COMMITTEE

Scope:

The following matters are referred to the Remuneration Committee:

- Fixing and reviewing the remuneration of the Chief Executives and other senior officers of the Company;
- Recommend the remuneration including the perquisite package of key management personnel;
- Determining the remuneration policy of the Company;

- Recommend to the Board retirement benefits;
- Reviewing the performance of employees against specific key result areas; and
- To attend to any other responsibility as may be entrusted by the Board.

Directors' Remuneration:

The Independent Directors are paid only sitting fees for attending Board/ Committee meetings. The details of sitting fees paid to Independent Directors during the period under review are as under:

Name of the Member	Sitting fees (₹)
Mr. Naveen B. Mandhana	18,500
Mr. Avinash H. Malpani	21,500
Mr. Subhash S. Dayama	32,000

Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot are not paid any sitting fees.

Composition as on 31st December, 2010, Meetings and Attendances:

During the period under review, 1 (one) Committee Meeting was held on 29th April, 2010.

The composition, meetings and attendances of the members of the Committee as per Clause 49 of Listing Agreement are as follows:

Name	Category	Number of Meetings held during the tenure	No. of Meetings Attended
Mr. Naveen B. Mandhana	Chairman – Independent	1	0
Mr. Avinash H. Malpani	Independent	1	1
Mr. Subhash S. Dayama	Independent	1	1

GENERAL BODY MEETING

AGM	Date	Location	Time	Number of Special Resolution Passed
20th	31st March, 2008	14 K. M. Stone, Aurangabad – Paithan Road, Village: Chittegaon, Tal.: Paithan, Dist: Aurangabad – 431 105	11.30 a.m.	NIL
21st	30th March, 2009	14th K. M. Stone, Aurangabad – Paithan Road, Village: Chittegaon, Tal.: Paithan, Dist: Aurangabad – 431 105	10.00 a.m.	NIL
22nd	30th March, 2010	14th K. M. Stone, Aurangabad – Paithan Road, Village: Chittegaon, Tal.: Paithan, Dist: Aurangabad – 431 105	10.00 a.m.	NIL

Postal Ballot

No resolution was passed through Postal Ballot during the period under review. Further, there are no business proposed to be transacted by passing a special resolution through Postal Ballot.

DISCLOSURES

a) Materially significant related party transactions i.e. transactions of the Company of material nature with its promoters, directors/ management, subsidiaries/ relatives etc. that may have potential conflict with the interests of the Company at large.	There are no transactions which may have potential conflicts with the interests of the Company at large. Transactions with related parties are disclosed in Note No. B-12 of Schedule 14 to the Accounts in the Annual Report.
b) Non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.	NIL

VALUE INDUSTRIES LIMITED

c) Whistle Blower Policy and affirmation that no personnel have been denied access to the audit committee.	The Company has implemented Whistle Blower Policy and it is hereby affirmed that no personnel have been denied access to the Audit Committee.
d) Details of Compliance with mandatory requirements and adoption of the non mandatory requirements.	Mandatory requirements have been complied with and non-mandatory requirements like constitution of the Remuneration Committee and implementation of Whistle Blower Policy have been adopted by the Company.

MEANS OF COMMUNICATION

The Company regularly intimates its Un-Audited as well as Audited Financial Results to the stock exchanges as soon as the same are taken on record/ approved. The Financial Results are published in Financial Express, Loksatta and/or Gawkari, the leading English and Marathi dailies. The results of the Company are also available on the website of the Company, i.e., www.valueind.in

The official news releases and the presentations, if any, made to Investors and financial analysts at investors' meets, from time to time, are also made available on the Company's website. The results are not sent individually to the shareholders.

Management Discussion and Analysis Report forms part of the Annual Report.

GENERAL INFORMATION FOR SHAREHOLDERS

1.	Annual General Meeting	The 23rd Annual General Meeting for period ended 31st December, 2010 shall be held on Wednesday, 29th June, 2011, at 10.00 a.m. at the Registered Office of the Company at 14 K.M. Stone, Aurangabad-Paithan Road, Village: Chittegaon, Taluka: Paithan, District: Aurangabad - 431 105 (Maharashtra).	
2.	Financial Calendar	Financial Year	1st January, 2011 to 31st December, 2011
		Results for the First Quarter	On or before 15th May, 2011
		Results for the Second Quarter	On or before 14th August, 2011
		Results for the Third Quarter	On or before 14th November, 2011
		Results for the Fourth Quarter	On or before 14th February, 2012
		Annual General Meeting for Financial Period ended 31st December, 2011	On or before 30th June, 2012
3.	Date of Book Closure	Thursday, 16th June, 2011 to Wednesday, 29th June, 2011 (both days inclusive)	
4.	Date of Dividend Payment	Monday, 4th July, 2011 (tentative)	
5.	Listing on Stock Exchanges	The equity shares of your Company are listed on Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. The Company has paid Listing Fees for the year 2011-12. The shareholders of your Company, at their meeting held on 31st March, 2004, have accorded approval for delisting of equity shares from The Stock Exchange – Ahmedabad, Madras Stock Exchange Limited, Bangalore Stock Exchange Limited, Calcutta Stock Exchange Association Limited, Pune Stock Exchange Limited and Delhi Stock Exchanges Association Limited. The Company has complied with the formalities for delisting. However, the confirmations from the said Stock Exchange(s) are awaited.	
6.	Stock Code	The names and addresses of the Stock Exchanges where the equity shares of your Company continue to be listed are given below:	
		Bombay Stock Exchange Limited (BSE) 1st Floor, New Trading Ring, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	500945 (Stock Code)
		National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 059.	VALUEIND (Stock Code)

7.	Market Price Data
	Monthly High and Low Prices of Value Industries Limited ("Value Industries") at BSE and NSE are given below:

Month	BSE		NSE	
	High Price	Low Price	High Price	Low Price
October, 2009	21.55	15.50	23.60	17.10
November, 2009	21.00	15.00	21.25	15.00
December, 2009	21.35	18.10	21.25	17.65
January, 2010	24.65	19.20	24.00	17.00
February, 2010	22.40	18.85	22.30	18.80
March, 2010	24.00	19.80	23.95	19.90
April, 2010	29.40	22.40	29.35	22.20
May, 2010	28.15	22.45	28.45	20.60
June, 2010	25.75	22.40	25.70	21.60
July, 2010	32.20	23.70	32.30	23.80
August, 2010	32.20	27.10	32.20	27.05
September, 2010	34.30	27.15	32.10	27.15
October, 2010	31.40	27.20	31.20	25.25
November, 2010	34.25	25.00	34.50	25.00
December, 2010	28.50	22.75	29.60	22.80

8.	Comparative Chart
----	-------------------

