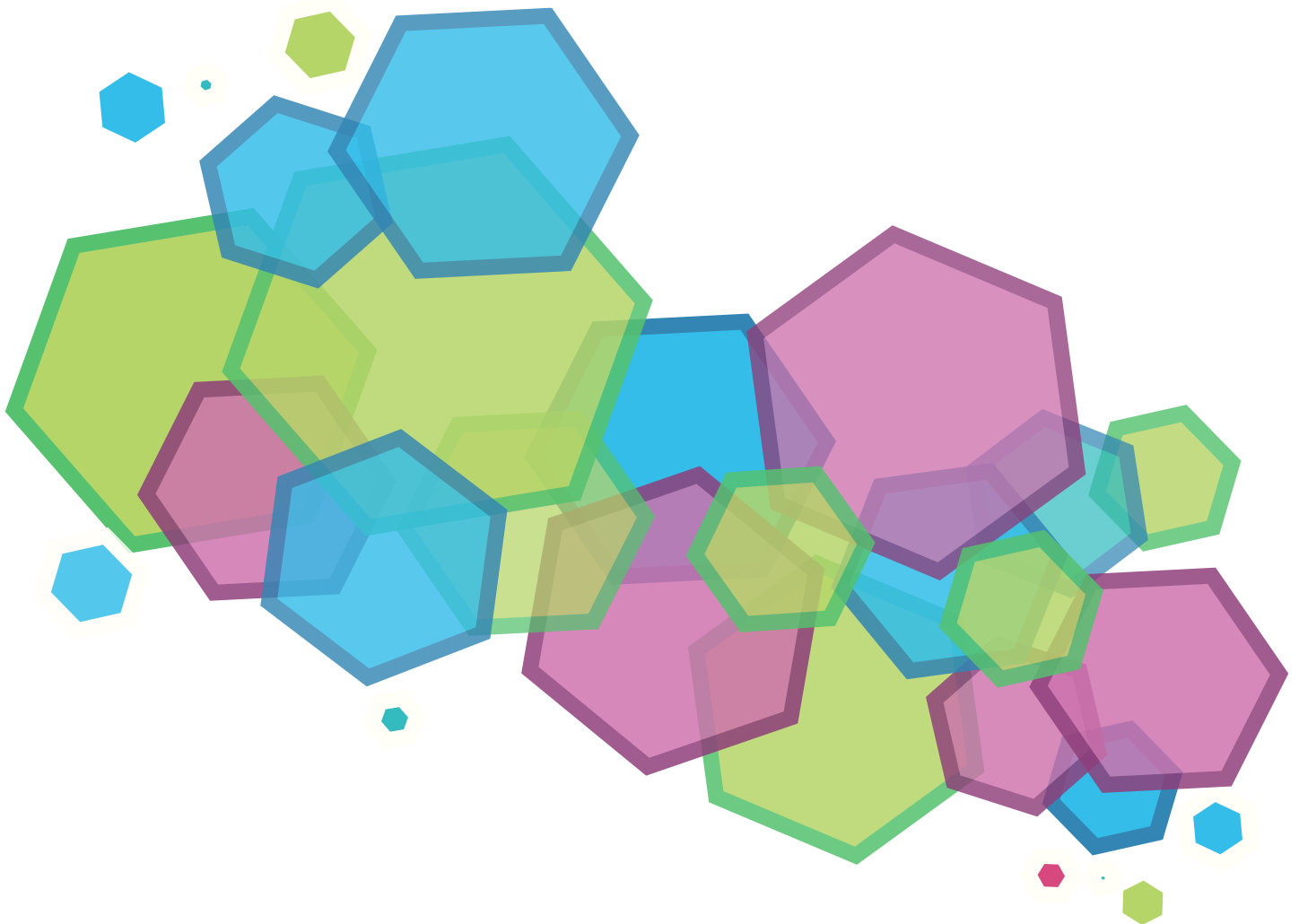


VALUE INDUSTRIES LIMITED



ANNUAL REPORT 2011

VALUE INDUSTRIES LIMITED

BOARD OF DIRECTORS

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

COMPANY SECRETARY

Amruta S. Karkare

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)

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

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NOTICE

NOTICE is hereby given that the Twenty-Fourth Annual General Meeting of the members of **VALUE INDUSTRIES LIMITED** (the "Company") will be held on Friday, 29th June, 2012, 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 financial year ended 31st December, 2011 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 preference shares.
3. To appoint a director in place of Mr. Avinash H. Malpani, who retires by rotation and, being eligible, offers himself for re-appointment.
4. 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

AMRUTA S. KARKARE
Company Secretary

Place : Mumbai
Date : 15th May, 2012

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 Section 255, 256 of the Companies Act, 1956 and the provisions of the Articles of Association of the Company, Mr. Avinash H. Malpani, Director, is liable to retire by rotation at the ensuing Annual General Meeting and, being eligible, has offered himself for re-appointment. Pursuant to Clause 49 of the Listing Agreement, a brief profile of Mr. Avinash H. Malpani, seeking re-appointment at the Meeting together with the details of shares held by him, if any, forms part of the Corporate Governance Report. The Board of Directors of your Company recommend his 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 remain closed from Saturday, 16th June, 2012 to Friday, 29th June, 2012 (both days inclusive) for the purpose of the Meeting.
7. Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, the Company has transferred the unclaimed dividend for the financial year 2003-04 to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Dividend for the financial year ended 2004-05 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 Share 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 date they first became due for payment and no payment shall be made in respect of any such claims.
8. Members who hold shares in physical form, under multiple folios, in identical names or joint accounts in the same order or names, are requested to send the share certificates to M/s. MCS Limited, Registrar and Share Transfer Agent of the Company, for consolidation into a single folio.
9. The equity shares of the Company are compulsorily tradable in electronic form and your Company has established connectivity with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (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.
10. 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.
11. Non-Resident Indian Members are requested to inform M/s. MCS Limited, the Registrar and Share Transfer Agent of the Company, immediately, of change in their residential status on return to India for permanent settlement together with particulars of their Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank with Pin Code Number, if not furnished earlier.

By order of the Board of Directors of
VALUE INDUSTRIES LIMITED

AMRUTA S. KARKARE
Company Secretary

Place : Mumbai
Date : 15th May, 2012

Registered Office:

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

DIRECTORS' REPORT

Dear Shareholders,

Your Directors take pleasure in presenting the Twenty-Fourth Annual Report of the Company together with the Audited Accounts and Auditors' Report for the financial year ended 31st December, 2011.

FINANCIAL RESULTS

The performance of the Company for the financial year ended 31st December, 2011, is summarized hereunder:

₹ in Million		
Particulars	Year ended 31st Dec., 2011 (12 months)	Period ended 31st Dec., 2010 (15 months)
Net Sales	13,386.87	17,136.27
Other Income	112.42	97.09
Total Income	13,499.29	17,233.36
Profit before Interest, Tax and Depreciation	1,578.38	2,064.83
Interest	696.87	792.20
Depreciation, Amortisation and Impairment	829.18	1,042.24
Profit before Tax	52.33	230.39
Provision for Taxation	17.15	69.85
Profit for the year/period	35.18	160.54

The figures for the current year are for a period of 12 months as against 15 months in previous period and hence, are not comparable.

OPERATIONS

During the year under review, the first half was reasonably good, whereas there was decline in the demand during the second half. The biggest challenge, during the year under review, has been the increase in the cost of raw materials and components, rising interest rates and intense competition. As a result, there was a slight decline in the net sales of the Company from ₹ 17,136.27 Million for the 15 months ended on 31st December, 2010 to ₹ 13,386.87 Million for the current year. Consequently, the profit after tax has also declined from ₹ 160.54 Million to ₹ 35.18 Million.

DIVIDEND

The Board of Directors of the Company do not recommend any dividend on equity shares for the year under review, in view of potential requirement of funds and uncertainty in overall economic environment.

Your Directors recommend 8% dividend on the preference shares for the year ended 31st December, 2011, amounting to ₹ 0.12 Million.

TRANSFER TO RESERVE

Your Directors propose to transfer an amount of ₹ 5.00 Million to the General Reserve and an amount of ₹ 6.15 Million to Capital Redemption Reserve. After appropriations, the balance remaining amounting to ₹ 887.22 Million is proposed to be carried to the Balance Sheet.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

The Company has transferred a sum of ₹ 0.8 Million in respect of unclaimed/unpaid dividend for the financial year 2003-04 to the Investor Education and Protection Fund.

FIXED DEPOSIT

During the year 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 year under review, the foreign exchange outgo amounted to ₹ 953.00 Million as against ₹ 1,203.24 Million during the 15 months ended on 31st December, 2010. There were no foreign exchange earnings during the year under review and previous period ended on 31st December, 2010.

CONSERVATION OF ENERGY

Your Company is constantly taking efforts to conserve energy and other resources. Your Company is focused on efficient and judicious use of energy which itself forms part of conservation of energy. The conservation of energy is the most important part of Corporate Social Responsibility (CSR) of the Company. Your Company is conscious about preservation of natural resources and protection of environment.

The following key initiatives have been undertaken by your Company towards conservation of energy:

- Installation of energy conservation lights;
- Use of energy efficient chokes, light fittings, lamps, push- pull switches etc.;
- Improved power factor;
- Auto switch off of the equipments during idle running time through timer;
- Increasing capacity of equipments by reducing its cycle time;
- 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;
- Timely maintenance of equipments and machines to maintain its efficiency;
- Installation of natural ventilators in the plant for exhaust in balance areas;
- Display of notice boards and information boards at all work stations for information and awareness of employees;
- Training sessions for employees at all levels; and
- Using treated water from effluent generation for developing the garden and plantation of trees at the manufacturing unit.

The Company has also formed an in-house team of employees to implement energy conservation measures and for Research & Development activities in the area of conservation of energy.

Effect of the above measures:

As a result of measures taken above, 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 & DEVELOPMENT AND TECHNOLOGY ABSORPTION

"Innovation is the key to success". Your Company believes in updation and innovation to cater to the various needs of consumers. The Company believes in bringing about change, which is why we constantly innovate and combine with quality that millions trust. Every product, the consumer brings home, initiates a new beginning. Your Company understands the importance of Research and Development (R & D) activity and focuses on making available variety of products at an affordable prices.

The R & D centre of the Company comprises of specialists and experienced staff for conducting market survey and recognizing the consumer needs. The R & D centre works towards modernizing the products and making the products user friendly and affordable.

The activities undertaken by R & D Centre are:

- Modernization of existing products;
- Improvement in technology;
- Conduct market analysis and identify niche in the market;
- Foresee consumer demands and catering to the consumer needs;
- Reduce cost of production; and
- Make available variety of products at an affordable prices.

Benefits Derived from R & D activities:

It has helped for sustainable use of available resources, increased productivity of machines, improvement in product quality, cost saving, higher efficiency and improvements in product designs. It has also helped the Company in modifying the aesthetics of its products and exploring potential areas that can be outsourced, leading to lower costs and improved efficiencies.

During the year under review, the R & D recurring expenses amounted to ₹ 12.45 Million representing 0.09% of the turnover.

Your Company is determined to develop various technologies and bring novelty in the products. A number of new technologies have been introduced in Consumer Electronics and Home Appliances Segment. As a result of R & D, your Company is able to introduce innovative models of products with advanced technology to fulfill the requirements of its customers.

Future plan of action in R & D and Technology Absorption:

Your Company plans to develop technologies in key areas and make a mark of innovation and modernization with optimum utilization of capital and maintain the position of the preferable service provider in the market.

INFORMATION TECHNOLOGY

Information Technology (IT) provides a comprehensive data warehouse and 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 latest version of SAP ERP ECC 6.0 for better operational control. This upgradation in SAP will give immense benefits to the Company leading into more stringent business practices and processes.

Your Company has put in place an enabled consumer interaction centre for addressing complaints and suggestions from consumers, retailers and distributors.

HEALTH AND SAFETY MEASURES

The safety and security of the workers are important aspects for building healthy work environment. The Company believes to have healthy and happy working

environment for every employee and the Company is committed to provide the same in every possible way. It has taken effective measures in the field of healthcare and safety. The Company has conducted, inter-alia, following activities for building healthy work culture and environment:

- Regular medical checkups;
- Medical aid facility for the workers and their family members;
- Vaccination facility for contagious disease;
- Conducting of lectures and seminars to create awareness for hygiene and cleanliness;
- Provide emergency exit door on all shop floor area so as to reach safe assembly point in case of emergency;
- Implementation of work permit system for hazardous work activity with proper monitoring at work place;
- Celebration of safety promotional activities like National Safety Week, Fire Service Week etc. to create mass awareness among the employees;
- Investigation of incidents/accidents and their reporting with root cause, corrective and preventive actions are taken;
- Display work instruction at hazardous areas;
- Carry out fire fighting program for security guard to enhance their competency; and
- Display of emergency evacuation plans with location of fire extinguisher.

INDUSTRIAL RELATIONS

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

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is titled to aid an organization's mission as well as a guide to what the company stands for its customers. The CSR policy functions as a built-in, self-regulating mechanism, whereby a company monitors and ensures its active compliance with the spirit of the law, ethical standards, and international norms. The goal of CSR is to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere who may also be considered as the stakeholders.

Keeping in view this theme, your Company undertakes all efforts to:

- Produce energy-efficient products;
- Encourage the spread of environmental conservation activities;
- Ensure safety of the workers at the work place; and
- Prevent global warming.

Your Company shall continue its efforts to discharge its CSR in the best possible manner.

BOARD OF DIRECTORS

The Board of Directors of the Company is duly constituted. After the date of the Balance Sheet, Mr. Pradipkumar N. Dhoot and Mr. Venugopal N. Dhoot resigned from the directorship of the Company w.e.f. 27th January, 2012 and 1st February, 2012, respectively. The Board would like to express its sincere gratitude towards the contribution made by Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot, during their tenure as the Directors of the Company.

VALUE INDUSTRIES LIMITED

The present Board consists of three directors i.e. Mr. Avinash H. Malpani, Mr. Subhash S. Dayama and Mr. Naveen B. Mandhana.

Pursuant to the provisions of the Companies Act, 1956 and in terms of the Articles of Association of the Company, Mr. Avinash H. Malpani, Director, is liable to retire by rotation at the ensuing Annual General Meeting and, being eligible, has offered himself for re-appointment. The Board recommends re-appointment of Mr. Avinash H. Malpani.

Pursuant to the provisions of the Clause 49 of the Listing Agreement, a brief profile of Mr. Avinash H. Malpani, 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.

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.

Your Directors recommend their re-appointment at the ensuing Annual General Meeting.

AUDITORS' REPORT

The Auditors' Report is unqualified.

AUDIT COMMITTEE

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

COST AUDITOR

The Company has appointed Mr. Jayant B. Galande, Cost Accountant, Aurangabad, as the Cost Auditor of the Company, for the financial year ending on 31st December, 2012, to conduct audit of the cost accounts records maintained by the Company.

SUBSIDIARY COMPANIES

The Company does not have any subsidiary.

CASH FLOW STATEMENT

The Cash Flow Statement for the financial year ended 31st December, 2011, in conformity with the provisions of Clause 32 of the Listing Agreement with the Stock Exchanges in India, is annexed hereto.

MANAGEMENT DISCUSSION AND ANALYSIS

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

CORPORATE GOVERNANCE REPORT

Corporate Governance is "the system by which companies are directed and controlled". It involves a set of relationships between company's management, its board, its shareholders and other stakeholders. It deals with prevention or mitigation of the conflict of interests of stakeholders.

Your Company believes in maintenance of transparency and clarity of interest between the Company and its stakeholders. It considers the Corporate Governance as the most important tool for discharging its social responsibilities.

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

DIRECTORS' RESPONSIBILITY STATEMENT

The Audited Accounts for the year 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:

- 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;
- that the accounting policies selected have been applied consistently; and judgments 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, 2011 and of the profit of the Company for the year ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; and
- that the Annual Accounts of the Company have been prepared on 'going concern' basis.

APPRECIATION

We thank our Customers, Vendors, Investors, Financial Institutions, Bankers, Business Partners and Government Authorities for their continued support. We also appreciate the contribution made by our employees at all levels.

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

For and on behalf of the Board of Directors of
VALUE INDUSTRIES LIMITED

S. S. DAYAMA
Director

N. B. MANDHANA
Director

Place : Mumbai
Date : 15th May, 2012

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 goodwill of the Company. High-performing companies align people, management practices to the corporate culture and to the business strategy and long-term objectives of the organization.

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, 2011:

The Board comprises of following 5 (five) Directors having diversified areas of expertise:

Category	Directors	No. of Directors	% to the Total
Promoter Non-Executive Director	Mr. Venugopal N. Dhoot Mr. Pradipkumar N. Dhoot	2	40%
Independent Director	Mr. Naveen B. Mandhana Mr. Subhash S. Dayama Mr. Avinash H. Malpani	3	60%
Total		5	100%

However, Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot resigned from the directorship of the Company w.e.f. 1st February, 2012 and 27th January, 2012, respectively i.e. after the date of balance sheet.

Proceedings of Board and Committee Meetings:

The Board and Committee meetings were conducted at timely intervals. The agenda discussed during the meeting are properly recorded in minutes book and signed by the Chairman. The Chairman of the meeting ensures that requisite quorum is present for conducting the meeting. The Company Secretary of the Company circulates the agenda to be discussed at the time of the meeting, well in advance.

The particulars of attendance and other associations of the Board of Directors are as under:

Sr. No.	Name	Whether attended AGM held on 29th June, 2011	Attendance in Board Meeting	Other Directorships as on 31st December, 2011			
				Directorship @	Company Chairmanship	Committee Chairmanship #	Committee Membership #
1	Venugopal N. Dhoot	No	8	12	1	2	4
2	Pradipkumar N. Dhoot	Yes	5	14	0	0	5
3	Naveen B. Mandhana	No	5	8	0	2	0
4	Avinash H. Malpani	No	3	0	0	0	0
5	Subhash S. Dayama	Yes	5	14	0	3	5

@ 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, Memberships/ Chairmanships of only the Audit Committee and Shareholders'/ 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.

The Board ensures that the resolutions passed at the meeting are as per the provisions of the Companies Act, 1956 and other rules and laws as may be applicable and as per the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

The Board has complete and unqualified access to all information available with the Company. The information regularly provided to the Board includes:

- Annual Operating plans and budgets and any updates;
- Capital budgets and any updates;
- Quarterly results of the Company;
- Minutes of the meetings of Audit and other Committees to the Board/ General Body Meetings;
- Information on recruitment of senior officers and Company Secretary;
- Investment/Divestment of Joint Ventures;
- Acquisitions/Amalgamation, if any;
- Related Party Transactions;
- Sale of material nature, if any, of investments and assets, which is not in the normal course of business;
- Material important litigations, show cause notice, demand penalty, if any;
- Disclosure of Interest by Directors about directorship and committee positions occupied by them in other companies;
- Minutes of the Board meeting, Annual General Meetings of Subsidiary Companies and significant transactions if any;
- Compliance Report; and
- Other materially relevant information.

Minutes of the proceedings of the Board/Committee/ General Body meetings are recorded. Draft minutes are circulated amongst all members for their comments. The minutes of the proceedings of the meetings are entered in the Minutes Book.

The guidelines for the Board/Committee meetings facilitate an effective post meeting follow-up, review and reporting process for the actions taken on decisions of the Board and Committees.

The Board periodically reviews the compliance reports to ensure adherence to all applicable provisions of law, rules and guidelines as may be applicable to the Company and takes steps to rectify non-compliances, if any.

The Company has laid down code of conduct which binds all the board members and senior management of the Company. A declaration by the Head Operations and the Company Secretary to this effect is appended to this report.

Meetings and Attendance:

During the year under review, the Board met 8 (Eight) times on the following dates: 14th February, 2011, 28th March, 2011, 13th May, 2011, 26th May, 2011, 28th July, 2011, 12th August, 2011, 31st August, 2011 and 13th November 2011.

VALUE INDUSTRIES LIMITED

Brief profile of the Director proposed to be re-appointed, as required in terms of the provisions of the Clause 49 of the Listing Agreement:

Sr. No.	Particulars	Profile of the Director
1.	Name of the Director	Mr. Avinash H. Malpani
2.	Date of Birth	22nd March, 1972
3.	Educational Qualification	Commerce Graduate
4.	Date of appointment on the Board	30th September, 1996
5.	Category of the Director	Independent, Non-Executive
6.	Area of Expertise / Senior Position Held/Work Experience	He carries with him vast experience in diversified fields.
7.	Details of Directorships in other Public Limited Companies (including subsidiaries of Public Company)	NIL
8.	Names of the other Committees in which Chairman	NIL
9.	Names of the other Committees in which Member	NIL
10.	No. of shares held	NIL

BOARD COMMITTEES

The Board has constituted 3 (three) Committees viz.

- Audit Committee
- Shareholders'/ Investors' Grievance Committee
- 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, 2011, Meetings and Attendance:

During the year under review, the Committee met 5 (five) times on the following dates: 14th February, 2011, 13th May, 2011, 26th May, 2011, 12th August, 2011 and 13th November, 2011.

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

Name	Category	No. of Meetings Attended
Mr. Subhash S. Dayama	Chairman - Independent	4
Mr. Avinash H. Malpani	Independent	2
Mr. Naveen B. Mandhana	Independent	4

The composition of the Audit Committee satisfies the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The Statutory Auditors, Cost Auditor and 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.

Powers of Audit Committee

The Audit Committee shall have powers, which includes the following:

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

Terms of reference and scope of the Committee.

The following are the terms of reference and scope of the Committee:

1. Oversight 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.

2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions; and
 - g) Qualifications in the draft audit report, if any.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, 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.
7. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
8. 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.
9. Discussing with internal auditors any significant findings and follow-up there on.
10. Reviewing the findings 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.
11. 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.
12. To look into the reasons for substantial defaults in the payment, if any, to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
14. 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 & background, etc. of the candidate.
15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Review of information by Audit Committee

The Audit Committee mandatorily reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:

The Shareholders'/ Investors' Grievance Committee plays an important role in acting as a link between the management and ultimate owners of the Company i.e. the shareholders. The Committee not only performs the roles as laid down in Listing Agreement but also oversees performance of the Registrar and Share Transfer Agent of the Company and recommends measures for overall improvement in the quality of investor services.

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; and
- 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. The Committee also monitors violations of the code of conduct for prevention of Insider Trading.

Composition as on 31st December, 2011, Meetings and Attendance:

During the year under review, the Committee met 5 (five) times on the following dates: 13th February, 2011, 12th May, 2011, 25th May, 2011, 11th August, 2011 and 13th November, 2011.

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

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

However, the Shareholders'/Investors' Grievance Committee was re-constituted consequent to the resignation of Mr. Pradipkumar N. Dhoot from the Board of Directors w.e.f. 27th January 2012. Mr. Subhash S. Dayama was appointed as the member of Shareholders'/ Investors' Grievance Committee in place of Mr. Pradipkumar N. Dhoot on the same date.

Compliance Officer:

During the year under review, Ms. Nisha Khandelwal resigned as a Company Secretary of the Company and Ms. Amruta S. Karkare was appointed as a Company Secretary in her position w.e.f. 31st August, 2011.

Ms. Amruta S. Karkare, Company Secretary, is the Compliance Officer of the Company.

Details of Share Transfer/ Demat/ Remat:

During the financial year under review, 50 (fifty) 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:

Particulars	Details
Number of transfers	254
Number of shares transferred	1,373,770
Average number of transfers per month	21.16
Number of demat request approved	693
Number of shares dematerialized	1,445,610
Percentage of shares dematerialized	3.69
Number of remat request approved	2
Number of shares rematerialized	289

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

Particulars	Received	Redressed	Pending as on 31st December, 2011
Non-Receipt of Refund Order	0	0	0
Non-Receipt of Dividend/ Interest / Redemption Warrants	147	147	0
Non-Receipt of Share Certificate	20	20	0
Others	33	33	0
Total	200	200	0

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.

Composition as on 31st December, 2011, Meetings and Attendances:

During the year under review, 1 (one) Committee Meeting was held on 31st January, 2011.

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

Name	Category	No. of Meetings Attended
Mr. Naveen B. Mandhana	Chairman - Independent	1
Mr. Avinash H. Malpani	Independent	1
Mr. Subhash S. Dayama	Independent	1

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 year under review are as under:

Name of the Member	Sitting fees paid (₹)
Mr. Naveen B. Mandhana	22,500
Mr. Avinash H. Malpani	14,500
Mr. Subhash S. Dayama	17,500

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

The Company has not issued any stock options during the financial year ended on 31st December, 2011.

GENERAL BODY MEETING

AGM	Date	Location	Time	Number of Special Resolution Passed
21st	30th March, 2009	14 K. M. Stone, Aurangabad – Paithan Road, Village: Chittegaon, Taluka: Paithan, District: Aurangabad – 431 105	10.00 a.m.	NIL
22nd	30th March, 2010	14 K. M. Stone, Aurangabad – Paithan Road, Village: Chittegaon, Taluka: Paithan, District: Aurangabad – 431 105	10.00 a.m.	NIL
23rd	29th June, 2011	14 K. M. Stone, Aurangabad – Paithan Road, Village: Chittegaon, Taluka: Paithan, District: Aurangabad – 431 105	10.00 a.m.	NIL

POSTAL BALLOT

No business was transacted by passing resolution through Postal Ballot during the year under review. Further, none of the businesses are proposed to be transacted at the ensuing Annual General Meeting which requires passing of a Special Resolution through Postal Ballot. However, the following businesses are currently in process of being transacted by passing of resolutions through Postal Ballot:

1. To alter the Main Object Clause No. III A (1) "MAIN OBJECT TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION" of the Memorandum of Association of the Company by inserting the words "refrigerators, air conditioners, mobile tablets, mobile phones", by passing a Special Resolution in terms of the provisions of Section 17 of the Companies Act, 1956;
2. To alter Clause No. III (B) 18 of the Memorandum of Association of the Company by substitution of the same with new Clause 18, to make the investment clause more elaborative and specific, by passing a Special Resolution in terms of the provisions of Section 17 of the Companies Act, 1956;
3. To alter Clause III (B) 19 of the Memorandum of Association of the Company by substitution of the same with new Clause 19, to explicitly provide the authority to extend guarantee or security in connection with various types of obligations whether monetary, non-monetary, financial or otherwise or on account of performance obligations, by passing a Special Resolution in terms of the provisions of Section 17 of the Companies Act, 1956;
4. To amend Articles of Association of the Company by substituting the existing set of regulations No. 1 to 187 (both inclusive) with new set of regulations No. 1 to 199 (both inclusive), by passing a Special Resolution in terms of the provisions of Section 31 of the Companies Act, 1956;
5. To authorize the Board of Directors of the Company to borrow money/moneys upto an amount not exceeding ₹ 30,000 Crores (Rupees Thirty Thousand Crores Only), by passing an Ordinary Resolution in terms of the provisions of sub-clause (d) of sub-section (1) of Section 293 of the Companies Act, 1956;
6. To authorize the Board of Directors of the Company to sell, lease, mortgage, or otherwise dispose off the whole or substantially the whole of undertaking of a Company upto an amount not exceeding ₹ 30,000 Crores (Rupees Thirty Thousand Crores Only), by passing an Ordinary Resolution in terms of the provisions of sub-clause (a) of sub-section (1) of Section 293 of the Companies Act, 1956; and
7. To authorize the Board of Directors of the Company to make investments, extend guarantee, provide security, make inter-corporate loans upto an amount not exceeding ₹ 30,000 Crores (Rupees Thirty Thousand Crores Only), by passing a Special Resolution in terms of the provisions of Section 372A of the Companies Act, 1956.

Mr. Sharad B. Palod, Advocate, has been appointed as a Scrutinizer for conducting the Postal Ballot process in fair and transparent manner and to receive and scrutinize the completed Ballot Form from the members. The last day for receipt of Postal Ballot Form is Monday, 28th May, 2012. The procedure for postal ballot is as per Section 192A of the Companies Act, 1956 and Rules made thereunder, namely Companies (Passing of the Resolution by Postal Ballot) Rules, 2011.

The result of the Postal Ballot will be declared by any one of the Directors or the Company Secretary of the Company on Wednesday, 30th May, 2012 at 2.30 p.m. at the Registered Office of the Company. The said date of declaration shall be the date of passing of the said Resolutions.

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-11 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
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 of this clause.	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.
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GENERAL INFORMATION FOR SHAREHOLDERS

1.	Annual General Meeting	The 24th Annual General Meeting for financial year ended 31st December, 2011 shall be held on Friday, 29th June, 2012 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, 2012 to 31st December, 2012
		Un-Audited Financial Results	Announcement within 45 days from end of each quarter or such time limit as may be prescribed by SEBI/Stock Exchanges
		Results for the First Quarter	On or before 15th May, 2012
		Results for the Second Quarter	On or before 14th August, 2012
		Results for the Third Quarter	On or before 14th November, 2012
		Results for the Fourth Quarter	On or before 14th February, 2013
		Annual General Meeting for Financial Year ending on 31st December, 2012	On or before 29th June, 2013
3.	Date of Book Closure	Saturday, 16th June, 2012 to Friday, 29th June, 2012 (both days inclusive)	
4.	Dividend Payment Date	The Board of Directors of the Company do not recommend any dividend on equity shares for the year under review.	
5.	Listing on Stock Exchanges	<p>The equity shares of your Company are listed on BSE Limited and the National Stock Exchange of India Limited. The Company has paid Listing Fees for the year 2012-13.</p> <p>The shareholders of your Company, at their meeting held on 31st March, 2004, have accorded approval for delisting of equity shares from Ahmedabad Stock Exchange Limited, Bangalore Stock Exchange Limited, Madras Stock Exchange Limited, The Calcutta Stock Exchange Limited, Pune Stock Exchange Limited [the “Stock Exchange(s)"] and The Delhi Stock Exchange Association Limited. The Company had complied with the formalities for delisting. A confirmation was received from The Delhi Stock Exchange Association Limited. However, the confirmations from other stock exchanges were not received.</p> <p>Accordingly, once again, at the meeting of the Board of Directors of the Company held on 28th July, 2011, the Board of Directors of the Company decided and filed revised applications to the said Stock Exchange(s) for voluntary delisting of equity shares of the Company in terms of the provisions of Chapter III of the SEBI (Delisting of Equity Shares) Regulations, 2009 and stipulated terms and conditions set out by the Stock Exchange(s).</p> <p>In terms of the requirements of Clause 7(d) of the SEBI (Delisting of Equity Shares) Regulations, 2009, the Company hereby declares that the equity shares of the Company have been delisted from the Ahmedabad Stock Exchange Limited, Bangalore Stock Exchange Limited, Madras Stock Exchange Limited, Pune Stock Exchange Limited and The Delhi Stock Exchange Association Limited. However, confirmation from The Calcutta Stock Exchange Limited is awaited.</p>	