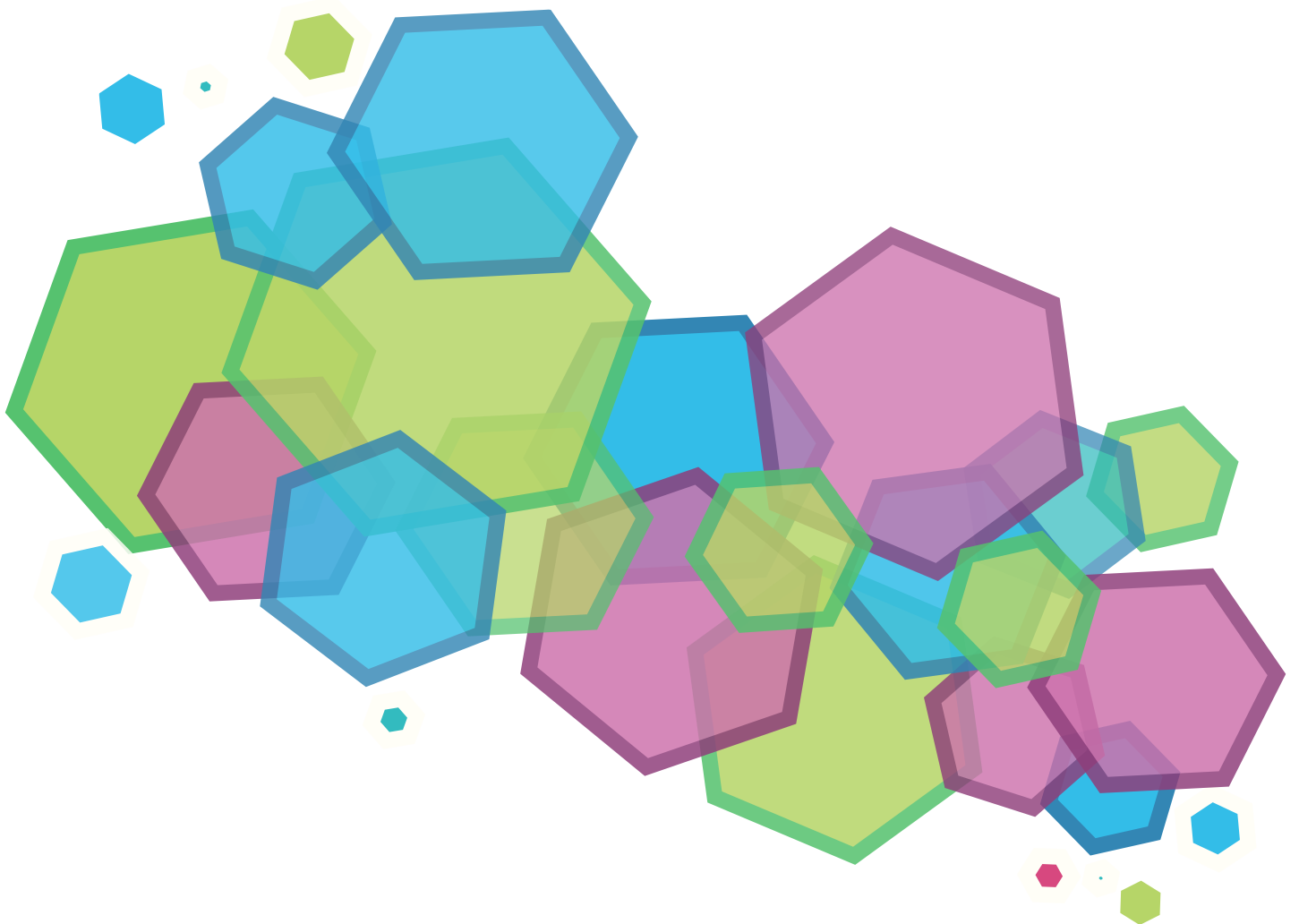


VALUE INDUSTRIES LIMITED



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:

Particulars	₹ in Million	
	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:

- 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;
- 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;
- 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;
- 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;
- 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;
- 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
- 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

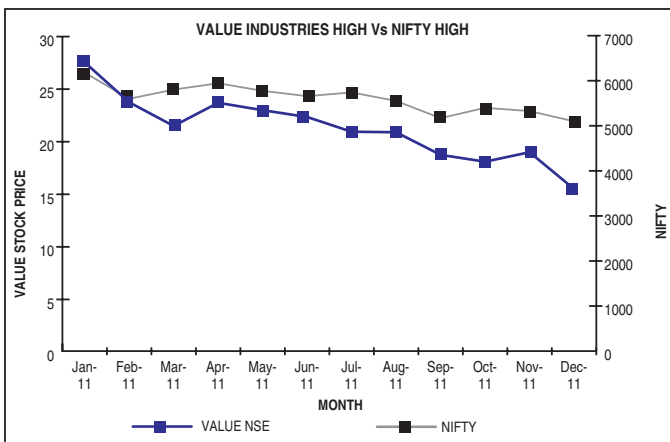
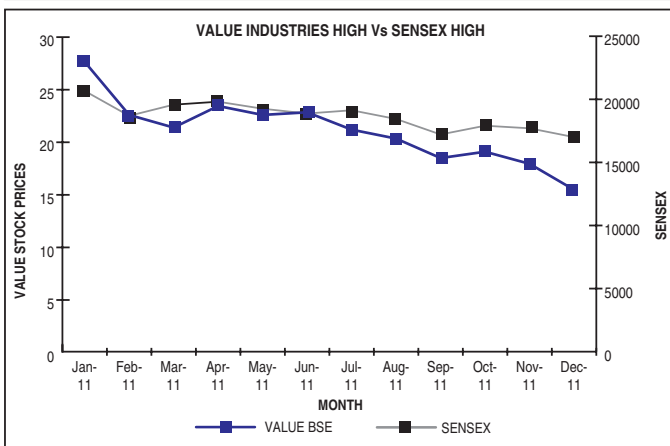
1.	Annual General Meeting	The 24th Annual General Meeting for financial year ended 31st December, 2011 shall be held on Friday, 29th June, 2012 at 10.00 a.m. at the Registered Office of the Company at 14 K.M. Stone, Aurangabad-Paithan Road, Village: Chittegaon, Taluka: Paithan, District: Aurangabad – 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>	

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:				
		<table border="1"> <tr> <td>BSE Limited (BSE) 1st Floor, New Trading Ring, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001</td> <td>500945 (Stock Code)</td> </tr> <tr> <td>The National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 059</td> <td>VALUEIND (Stock Code)</td> </tr> </table>	BSE Limited (BSE) 1st Floor, New Trading Ring, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	500945 (Stock Code)	The 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)
BSE Limited (BSE) 1st Floor, New Trading Ring, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	500945 (Stock Code)					
The 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
	Average monthly High and Low Prices of Value Industries Limited ("Value") at BSE and NSE are given below:

Month	BSE		NSE	
	High Price	Low Price	High Price	Low Price
January, 2011	27.65	20.00	27.55	18.25
February, 2011	22.60	18.00	23.75	18.00
March, 2011	21.40	18.00	21.50	18.00
April, 2011	23.45	19.50	23.70	18.20
May, 2011	22.60	19.00	23.00	18.50
June, 2011	22.85	18.50	22.35	18.40
July, 2011	21.20	19.00	20.95	19.30
August, 2011	20.35	15.00	20.90	15.00
September, 2011	18.50	15.35	18.75	16.65
October, 2011	19.10	16.20	18.10	16.00
November, 2011	17.95	14.20	19.00	13.30
December, 2011	15.48	13.01	15.50	13.00

8. Comparative Chart



9.	Registrar and Transfer Agents	MCS Limited Kashiram Jamnadas Building, Office No. 21/22, Ground Floor, 5, P. D'mello Road (Ghadiyal Godi), Masjid (East), Mumbai – 400 009 Tel: 022 – 23726253-55 Fax: 022– 23726252/23726256 E-mail: mcscomplaintbom@mcscdel.com
10.	Share Transfer System	Applications for transfer of shares held in physical form are received at the office of the Registrars and Share Transfer Agents of the Company. All valid transfers are processed within 15 days from the date of receipt.

11. a) Shareholding Pattern as on 31st December, 2011, is given as under:

Category Code	Category of Shareholder	Number of Shareholders	Total Number of Shares	As a percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group			
(1)	Indian	22	18,321,406	46.76
(2)	Foreign	-	-	-
	Sub-Total (A)	22	18,321,406	46.76
(B)	Public Shareholding			
(1)	Institutions	359	1,142,365	2.92
(2)	Non-Institutions			
	- Bodies Corporate	651	1,702,137	4.34
	- Individuals	71,762	18,019,767	45.98
(3)	- Others	-	-	-
	Sub-Total (B)	72,772	20,864,269	53.24
	TOTAL (A) + (B)	72,794	39,185,675	100.00
(C)	Shares held by Custodians and against which depository Receipt have been issued			
1	Promoter and Promoter Group	-	-	-
2	Public	-	-	-
	Sub-total (C)	-	-	-
	GRAND TOTAL (A) + (B) + (C)	72,794	39,185,675	100.00

11. b) Distribution of Shareholding as on 31st December, 2011, is as given below:

Shareholding of Nominal Value	Number of Shareholders	% to total	Number of Shares	Amount (in ₹)	% to Total
Up to 5,000	68,781	94.49	8,388,438	83,884,380	21.407
5,001 to 10,000	2,183	3.00	1,801,227	18,012,270	4.5966
10,001 to 20,000	892	1.23	1,381,446	13,814,460	3.5254
20,001 to 30,000	305	0.42	781,963	7,819,630	1.9955
30,001 to 40,000	137	0.19	490,062	4,900,620	1.2506
40,001 to 50,000	136	0.19	648,438	6,484,380	1.6548
50,001 to 100,000	178	0.24	1,282,635	12,826,350	3.2732
100,001 and above	182	0.25	24,411,466	244,114,660	62.297
Total	72,794	100.00	39,185,675	391,856,750	100.00

12.	Dematerialization of Shares	The Securities and Exchange Board of India (SEBI), through a notification, has made it mandatory that any delivery in the Company's shares against stock exchange trades shall be in demat form. As on 31st December, 2011, 34,625,547 equity shares (88.36% of the total number of shares) have been dematerialized.
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13.	Outstanding GDRs/ ADRs/ Warrants or Conversion Instruments, Conversion Date and like impact on equity	NIL
14.	Plant Location	15 K. M. Stone, Aurangabad-Paithan Road, Village: Chittegaon, Taluka: Paithan, Dist. Aurangabad – 431 105, Maharashtra
15.	Address for Correspondence	14 K. M. Stone, Aurangabad – Paithan Road, Village: Chittegaon, Taluka: Paithan, Aurangabad – 431 105 (Maharashtra) Tel.: (02431) 251 555; Fax: (02431) 251 571 E-mail: secretarial_value@videconmail.com The correspondence address for shareholders in respect of their queries is: MCS Limited Kashiram Jamnadas Building, Office No. 21/22, Ground Floor, 5, P. D'mello Road (Ghadiyal Godi), Masjid (East), Mumbai – 400 009 Tel: 022 – 23726253-55 Fax: 022– 23726252/23726256

MEANS OF COMMUNICATION

The Company regularly intimates its Un-Audited as well as Audited Financial Results, including quarterly results, to the Stock Exchanges in compliance with the Listing Agreement. The Financial Results are published in Financial Express and Loksatta, 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. In terms of the requirements of Clause 52 of the Listing Agreement with the Stock Exchanges in India, the un-audited financial results as well as audited financial results are electronically submitted, unless there are any technical difficulties and displayed through Corporate Filing and Dissemination System viz. www.corpfilling.co.in. Shareholding Pattern and Corporate Governance Report are also displayed on NEAPS (NSE Electronic Application Processing System) website i.e. www.connect2nse.com

Corporate Governance Voluntary Guidelines, 2009:

The management has also undertaken due initiatives to adopt the provisions of the Corporate Governance Voluntary Guidelines 2009, in its overall governance framework as applicable in case of the Company.

Compliance Certificate from Statutory Auditors:

A certificate from the Statutory Auditors of the Company confirming compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this Report.

DECLARATION

The Company has adopted a Code of Conduct which deals with governance practices expected to be followed by the Board members and senior management employees of the Company.

All the directors and senior management employees have affirmed compliance with the Code of Conduct adopted by the Board.

For **VALUE INDUSTRIES LIMITED**

HEAD-OPERATIONS

Place : Mumbai
Date : 15th May, 2012

COMPANY SECRETARY

CERTIFICATION

To,
The Board of Directors

VALUE INDUSTRIES LIMITED

We, Head-Operations and Chief Financial Officer of the Company, certify to the Board that:

- The Financial Statements and the Cash Flow Statement for the financial year ended on 31st December, 2011 have been reviewed and to the best of our knowledge and belief are true and present a true and fair view of the affairs of the Company.
- To the best of our knowledge and belief, no transactions entered are fraudulent, illegal or violate the Company's Code of Conduct.
- We accept the responsibility for establishing and maintaining internal controls for financial reporting, evaluate the effectiveness, disclosing the deficiencies in the design or operation of internal controls, if any, to the Auditors and the Audit Committee and take steps or propose to take steps to rectify these deficiencies.
- We have indicated, wherever applicable, to the Auditors and the Audit Committee:
 - Significant changes in Internal Control over financial reporting during the year;
 - Significant changes in Accounting Policies, the same have been disclosed in the notes to the financial statements; and
 - Instances of significant fraud of which we have become aware.

For **VALUE INDUSTRIES LIMITED**

HEAD-OPERATIONS

Place : Mumbai
Date : 15th May, 2012

CHIEF FINANCIAL OFFICER

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
VALUE INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by Value Industries Limited ("the Company"), for the year ended on 31st December, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

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

For KHANDELWAL JAIN & CO.
Chartered Accountants
(Firm Registration No. 105049W)

SHIVRATAN AGARWAL
Partner
Membership No. 104180
Place : Mumbai
Date : 15th May, 2012

For KADAM & CO.
Chartered Accountants
(Firm Registration No. 104524W)

U. S. KADAM
Partner
Membership No. 31055

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management of the Company has pleasure in presenting the Management Discussion and Analysis Report in compliance with the Code of Corporate Governance under Clause 49 of the Listing Agreement.

INDUSTRY STRUCTURE & DEVELOPMENT

The global consumer electronics industry is set to witness growth in the near future, with the rising technological innovations. The digital technology revolution has enabled the industry to earn profit from the growing interaction of digital applications.

Though the consumer electronics and home appliances market in India has been going through a period of steady growth, it cannot remain isolated from the overall economy. As prices increase, consumer finance becomes more expensive and discretionary budget available to household shrinks. There could well be a negative impact on the domestic consumer electronics and home appliances market as well.

The trade is unanimous about customers being more aware of products, features, market prices and other aspects. It is no longer easy to influence the customers to switch from their preferred brands. Though going forward, the market may move upward and sales volume may increase, albeit profits and margins which are steadily declining as the financial exposure and investment in the business increase.

To face the growing competition and price challenges, the Company is focused on creating more awareness about the products. Company's mission is to make its product better, inspirational and increase consumer pull. With a wide and vast range of products, which are a result of constant innovation and technology upgradation, the product provides a solution to all their needs that will keep closer to the hearts of millions of consumers. The Company will look forward to enhance its product image and induce sales. Radical and refreshing communication will be created to get credibility across target groups with change in perception. Every product is a result of consumer insights and rigorous product tests performed at its innovation labs and R & D facilities.

SEGMENT PERFORMANCE

The Company has only one segment viz. 'Consumer Electronics and Components/ parts thereof' as per the Accounting Standard on Segment Reporting (AS-17) issued by the Institute of Chartered Accountants of India.

PRODUCT WISE PERFORMANCE

The Company is primarily engaged in the business of manufacturing and trading of the following products:

a) Washing Machines:

The demand for washing machines in India is increasing with the changing status of women and working couples. A large number of women in India today are working, so there is less time available with them to do manual washing. The washing machine proves to be of great help in speeding up domestic work.

The fully automatic segment is gradually catching up owing to convenience, better wash performance and quality. The Company focused on innovation in design, look and technology. The recently introduced models of washing machines contains the following features:

- Anti Rust Plastic Body
- Digital Display

- UV light
- 15 degree tilt drum
- Direct Drive Motor
- Aero Wash Technology
- Hand Wash
- Auto Error Detection
- Digital sensi Logic
- Air dry function in Semi Automatic Washing Machine (SAWM)
- Dual element heater in dryer
- Toughened glass tops, in SAWM with floral printing and matching body graphics
- Added air dry function in SAWM to increase the drying efficiency

The green revolution and energy saving norms ensures less power and water consumption.

b) Refrigerators:

Refrigerator for long has remained a high involvement product at the time of purchase but once at home and in use, the utility aspect takes an edge over. There have been constant improvements on energy efficiency and cooling aspect and new technologies have been evident across all categories.

We have shifted towards 5 star rated refrigerators as the customers are now well abreast of the significance of the same. The latest models of the Company contains following flattering features:

- Inverter Technology
- Wings Flow Turbo
- Power Deodorize
- Blue ION Technology
- Water & Ice Dispenser
- Digital Multi Sensor
- Digital Display
- Vita Air Technology
- Stabilizer free operation
- PCM door finish
- Transparent interior
- Infrared sterilization
- Toughened glass shelves
- Night vision Frost Free refrigerator with ambient light sensing LED illumination in door handle
- Digital watch, Crisper separator, cosmetic box in frost free refrigerator
- FM radio in direct cool refrigerator
- LED light implementation in both direct cool and frost free refrigerator

VALUE INDUSTRIES LIMITED

Wings Flow Turbo technology with 8 wings and 2 fans increase the inflow of fresh air in every corner. Blue ION technology detects and finishes off food spoiling bacteria and fungus. On the whole, it's a refrigerator that keeps food fresh for long. The new Vita Air Technology provides the benefit of Vitamin C which helps to boost immunity, fight common cold and other vital diseases. In short, the Company not only takes care of the freshness of food but also the health of consumers.

c) Air-Conditioners:

Purchase and use of air-conditioning system in both residential and commercial applications often goes hand in hand with the health of economy in a given country. An increase in per capita income pushes up consumer demand for comfort living and eventually drives demand for high-value products such as air-conditioning system.

While man's desire to control the indoor environment lead to the invention of air-conditioning systems, growth in population, sturdy economic progress, industrialization, rising standard of living, affordability of technology and increase in commercial applications have led to its rapid proliferation across the globe. Global warming continues to remain a major factor propelling market demand, especially in the residential segment. Depletion of ozone layer, El Nino effect and global warming make up for the primary reasons that create the need for air-conditioning system.

Following are the eye-catching features of some of the latest models:

- Heating and cooling function
- Ioniser
- Adjustable Louvers (6 level)
- Vitamin C filter
- Gold, Blue and Green fin Evaporator
- 100% copper pipes
- Anti Bacteria filter on/off system
- Vita Air Technology
- Inverter Technology
- PFC coil in outdoor unit

Demand for air-conditioners is increasing because of major growth in infrastructure sector. Due to the high temperatures all around the year and the rising prosperity, the country offers the Air-conditioning sector great prospects for growth.

STRATEGY AND OUTLOOK

Your Company continues to grow its business due to in-house technological advancement, aggressive marketing and distribution, advertising strategies with focused penetration in the key market.

The core strategy in coming year will be to improve the product quality and increase the market share. The Company has chalked out a bi-polar strategy wherein premium image will be built through aesthetically and technologically superior products and volumes driven through a frugally innovative range to cater to the mass market.

The Company's focus on ground level activities will also increase as it aims at building an instant connect with the consumers by means of road shows, exhibitions and through building experience zones and product demonstrations. Apart from this, in-store build-up will be a major focus – providing marketing collaterals, innovative and implementation through visual merchandising.

The Company seeks to strengthen its position in the business of "Electronic & Home Appliances" at national level by venturing into new areas of business through diversification policies and by increasing the scale of operations.

OPPORTUNITIES AND THREATS

With the changing trends of business and diversification there are many opportunities for growth and expansion of business. The consumer needs are increasing with change in technologies. Now a days, it is not easy to convince the customers because today's customers are well educated and aware of the changing patterns of the market.

There is always a niche in the market which the Company has to identify and grab the opportunity to serve the customers. The Company has indentified certain opportunities for the coming year:

- Digital Technology Revolution;
- Improved standard of living;
- Latest technology at an affordable price;
- Strong and active Research and Development Centre;
- Climatic changes and Global warming;
- Favorable Government policies; and
- Concentration on development of variety of products with eye-catching features.

The Company also perceives certain threats that are potential in nature. The threats perceived by the Management are:

- Competition from Foreign Companies;
- High cost of production;
- Requirement for strategic advertising;
- Rise in excise duty and other taxes; and
- Fluctuating Demand.

Future outlook

Though there are some threats and challenges, the home appliance segment is, at all time high and India being hailed as a strategic market by major home appliance brands, there are lot of promises and future scope for this segment to grow further.

FINANCIAL PERFORMANCE

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.

Income:

Sales:

During the year under consideration, the Company achieved Gross Sales of ₹ 13,793.13 Million for the year ended 31st December, 2011, as against ₹ 17,540.96 Million for the 15 months ended 31st December, 2010.

Other Income:

Other Income amounted to ₹ 112.42 Million for the year ended on 31st December, 2011 as against ₹ 97.09 Million for the 15 months ended on 31st December, 2010. Other Income comprises of investment income, profit on sale of fixed assets, exchange rate fluctuations and miscellaneous income.

Expenditure:**Cost of Goods Consumed/sold:**

Cost of goods consumed/sold amounted to ₹ 11,130.02 Million for the year ended 31st December, 2011, as against ₹ 14,400.81 Million for the 15 months ended on 31st December, 2010.

Salaries, Wages and Employees' Benefits:

During the year under review, salaries, wages and employees' benefits were ₹ 243.20 Million for the year ended 31st December, 2011, as against ₹ 273.35 Million for the 15 months ended on 31st December, 2010.

Manufacturing and Other Expenses:

During the year under review, the manufacturing and other expenses were ₹ 547.69 Million as against ₹ 494.37 Million for the 15 months ended on 31st December, 2010.

Interest and Finance Charges:

For the year under review, the interest and finance charges amounted to ₹ 696.87 Million as against ₹ 792.20 Million for the 15 months ended on 31st December, 2010.

Depreciation and Amortization:

For the year under review, the Depreciation and Amortization were ₹ 829.18 Million as against ₹ 1,042.24 Million for the 15 months ended on 31st December, 2010.

Profit before Tax:

The profit before tax was ₹ 52.33 Million for the year ended 31st December, 2011 as against ₹ 230.39 Million for 15 months ended on 31st December, 2010.

Provision for Taxation:

Provision for taxation includes provision for Current Tax, Deferred Tax and net of MAT Credit Entitlement. During the year under review, the Company has provided ₹ 14.00 Million for Current Tax, ₹ 5.11 Million for Deferred Tax and ₹ (1.96) Million for MAT Credit Entitlement as against ₹ 43.90 Million for Current Tax, ₹ 30.89 Million for Deferred Tax and ₹ (4.94) Million for MAT Credit Entitlement for the 15 months ended on 31st December, 2010.

Net Profit:

Net Profit for the year amounted to ₹ 35.18 Million as against ₹ 160.54 Million for the 15 months ended 31st December, 2010.

Earnings Per Share:

The earnings per share of the Company for the year ended 31st December, 2011, amounted to ₹ 1.05 as against ₹ 3.66 for 15 months ended 31st December, 2010.

RISKS AND CONCERNS

There is always a risk involved in every business and Consumer Electronics and Home Appliances business cannot be an exception.

The economic environment, pricing pressure and decreased utilization rates could negatively impact our revenue and operating results. Due to increase in competition from foreign market there is need of strong branding campaign and strategic advertising.

The Company expects that as the market is growing and there is need of foreign currency inflow, the government may reduce the amount of certain taxes which will enable the Company to venture abroad and capture the foreign markets. The Company plans to offer latest techno-savvy products at affordable prices and reduce the cost of production to eliminate the risk and grab the foreign market share.

INTERNAL CONTROL SYSTEM

The internal structure of the Company is pyramid like structure where there is defined management hierarchy and reporting system. The well defined and standard reporting structure enables the management to reach to all the classes of employees. It also ensures that no one remains unheard in the Company and the management can get to know the difficulties and problems of each and every person working for the Company.

The meetings of the Board of Directors and shareholders are properly conducted within sufficient interval. There are three committees constituted in the Company i.e. Shareholders'/ Investors' Grievance Committee, Audit Committee and Remuneration Committee. The Board has delegated some of their powers to such Committees for efficient working and fast decision making.

The Committees are properly constituted according to the Listing Agreement requirements and every member of the Committee has free access to the internal records and documents. There is also timely preparation of all quarterly, half yearly and annual reports and timely submission of the same.

Internal Check system and control is exercised with proper adherence to various procedures laid down by law, rules and regulations applicable. The top management and the Audit Committee of the Board review the findings and recommendations of the internal audit panel.

HUMAN RESOURCE MANAGEMENT

Our human capital is our most important asset. We believe that quality and level of service that our professionals deliver are among the highest in the industry and our training, continuing education and career development programs are designed to ensure their skills in alignment with their respective roles. We also offer increment benefit and performance based salary hike which motivates the employees to deliver quality work.

The progress of the Company is highly dependent upon satisfaction of human resources. The Company is also planning to implement various employee benefit plans to support the family of an employee in case of urgency. The individual growth of an employee is also a concern of the Company along with the growth of the Company. The Management believes that happiness and satisfaction of human resources is the ultimate responsibility of the Company. The Company's workforce comprises of around 425 employees.

A cordial industrial relation environment prevailed in the Company during the year.

CAUTIONARY STATEMENT

Statements in this report describe the Company's objectives, projections, estimates, expectations and 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. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise.

AUDITORS' REPORT

To
The Members of
VALUE INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of **VALUE INDUSTRIES LIMITED**, as at 31st December, 2011, Profit and Loss Account and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks as considered appropriate and according to the information and explanations given to us during the course of the audit, we give in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in above paragraph, we report that:
 - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - e) According to the information and explanations given to us and on the basis of written representations received from the directors of the Company and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st December, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read together with the significant accounting policies and notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st December, 2011;
 - (ii) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For KHANDELWAL JAIN & CO.
Chartered Accountants
(Firm Registration No. 105049W)

SHIVRATAN AGARWAL
Partner
Membership No. 104180

Place : Mumbai
Date : 15th May, 2012

For KADAM & CO.
Chartered Accountants
(Firm Registration No. 104524W)

U. S. KADAM
Partner
Membership No. 31055

ANNEXURE TO THE AUDITORS' REPORT

Statement referred to in paragraph 3 of the Auditors' Report of even date to the Members of **VALUE INDUSTRIES LIMITED** on the financial statements for the year ended 31st December, 2011.

- (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets.
 - (b) As per the information and explanations given to us, physical verification of fixed assets has been carried out in terms of the phased programme of verification adopted by the Company and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable, having regard to the size of the Company and the nature of its business.
 - (c) During the year, the Company has not disposed off any substantial/major part of its fixed assets.
- (ii)
 - (a) As per the information furnished, the inventories have been physically verified during the year by the management. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company is maintaining proper records of inventory. As per the information and explanations given to us, the discrepancies noticed on physical verification of stocks were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- (iii)
 - (a) As per the information and explanation given to us, the Company has not granted or taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - (b) As the Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, Sub-clauses (b), (c), (d), (f) and (g) of Clause (iii) of paragraph 4 of the Order are not applicable.

- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control systems.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that Section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lakhs, in respect of any party during the year, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public within the meaning of the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and rules made thereunder.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) The Central Government has prescribed maintenance of the cost records under Section 209(1)(d) of the Companies Act, 1956, in respect of the Company's products. As per the information and explanations provided to us, we are of the opinion that prima facie, the prescribed records have been made and maintained. We have however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (ix) (a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, the Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty, Cess and other statutory dues wherever applicable. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31st December, 2011, for a period of more than six months from the date they became payable.
- (b) According to the records of the Company examined by us and information and explanations given to us, the particulars of dues of Sales tax, Income tax, Custom duty, Wealth tax, Service tax, Excise duty, Cess which have not been deposited on account of disputes, are given below:

Nature of the Statute	Nature of Dues	Amount (₹ in Million)	Forum where dispute is pending
1. Customs Act, 1962	Customs Duty	2.32 3.26	Commissioner CESTAT
	Penalty	2.93 2.17	Commissioner CESTAT
2. Central Excise Act, 1944	Excise Duty	0.89	CESTAT
	Penalty	2.81 0.40	Asst. Commissioner CESTAT
3. Finance Act, 1994 (Service Tax Provisions)	Service Tax demand	18.18	Asst. Commissioner
4. Sales Tax Act of various States	Sales Tax demand	56.65	DCST (Appeal)
		0.70	Tribunal
		0.69	Joint Commissioner
		0.21	Asst. Commissioner

- (x) There are no accumulated losses as on 31st December, 2011. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial period.
- (xi) Based on our audit procedures and the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- (xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a Chit fund Company or nidhi/mutual benefit fund/society. Therefore, the Clause (xiii) of paragraph 4 of the Order is not applicable to the Company.
- (xiv) The Company has maintained proper records of transactions and contracts in respect of dealing and trading in shares, securities, debentures and other investments and that timely entries have generally been made therein. All shares, debentures and other securities have been held by the Company in its own name except to the extent of the exemption granted under Section 49 of the Companies Act, 1956.
- (xv) According to the information and explanations given to us, the terms and conditions of guarantees given by the Company for loans taken by others from banks or financial institutions are, prima facie, not prejudicial to the interest of the Company.
- (xvi) According to the information and explanations given to us, the term loans raised during the year were applied, on an overall basis, for the purpose for which the loans were obtained.
- (xvii) On the basis of overall examination of the Balance Sheet of the Company, we observed that, the Company has not used funds raised on short term basis for long term investments.
- (xviii) According to the information and explanation given to us, the Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year. The Company has created security in respect of debentures issued in earlier years.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For KHANDELWAL JAIN & CO.
Chartered Accountants
(Firm Registration No. 105049W)

For KADAM & CO.
Chartered Accountants
(Firm Registration No. 104524W)

SHIVRATAN AGARWAL
Partner
Membership No. 104180

U. S. KADAM
Partner
Membership No. 31055

Place : Mumbai
Date : 15th May, 2012

BALANCE SHEET AS AT 31ST DECEMBER, 2011

(₹ in Million)

Particulars	Schedule No.	As at 31st Dec., 2011	As at 31st Dec., 2010
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
a) Share Capital	1	391.86	398.01
b) Reserves and Surplus	2	4,201.62	4,160.57
2. Grant from Ozone Projects Trust Fund		12.82	15.97
3. Deferred Tax Liability (Net)		960.89	955.78
4. Loan Funds			
a) Secured Loans	3	6,772.68	5,493.12
b) Unsecured Loans	4	4,154.58	2,749.85
TOTAL		16,494.45	13,773.30
II. APPLICATION OF FUNDS			
1. Fixed Assets	5		
a) Gross Block		17,866.20	16,347.65
b) Less: Depreciation, Amortisation and Impairment		9,091.84	8,280.50
c) Net Block		8,774.36	8,067.15
2. Investments	6	947.70	529.96
3. Current Assets, Loans and Advances	7		
a) Inventories		5,412.95	3,788.35
b) Sundry Debtors		2,582.17	2,659.73
c) Cash and Bank Balances		119.72	142.12
d) Other Current Assets		3.62	5.66
e) Loans and Advances		931.83	1,163.75
		9,050.29	7,759.61
Less: Current Liabilities and Provisions	8		
a) Current Liabilities		2,216.10	2,483.46
b) Provisions		61.80	99.96
		2,277.90	2,583.42
Net Current Assets		6,772.39	5,176.19
TOTAL		16,494.45	13,773.30
Significant Accounting Policies and Notes to Accounts	14		

As per our report of even date

For KHANDELWAL JAIN & CO.
Chartered AccountantsSHIVRATAN AGARWAL
Partner
Membership No. 104180Place : Mumbai
Date : 15th May, 2012For KADAM & CO.
Chartered AccountantsU. S. KADAM
Partner
Membership No. 31055

For and on behalf of the Board

S. S. DAYAMA
DirectorN. B. MANDHANA
DirectorAMRUTA S. KARKARE
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST DECEMBER, 2011

(₹ in Million)

Particulars	Schedule No.	Year ended on 31st Dec., 2011 (12 Months)	Period ended on 31st Dec., 2010 (15 Months)
I. INCOME			
Sales/Income from Operations		13,793.13	17,540.96
Less: Excise Duty		406.26	404.69
Net Sales		13,386.87	17,136.27
Other Income	9	112.42	97.09
TOTAL		13,499.29	17,233.36
II. EXPENDITURE			
Cost of Goods Consumed/Sold	10	11,130.02	14,400.81
Salaries, Wages and Employees' Benefits	11	243.20	273.35
Manufacturing and Other Expenses	12	547.69	494.37
Interest and Finance Charges	13	696.87	792.20
Depreciation, Amortisation and Impairment	5	829.18	1,050.99
Less: Transferred from Revaluation Reserve		-	8.75
TOTAL		829.18	1,042.24
TOTAL		13,446.96	17,002.97
III. PROFIT BEFORE TAX			
		52.33	230.39
Less: Provision for Taxation			
Current Tax		14.00	43.90
Deferred Tax		5.11	30.89
MAT Credit entitlement		(1.96)	(4.94)
IV. PROFIT FOR THE YEAR/PERIOD			
		35.18	160.54
Add/(Less): Excess/(Short) Provision of Income Tax for earlier years		6.01	(16.14)
Add: Balance brought forward		849.12	763.92
Add: Transferred from Debenture Redemption Reserve		8.20	13.65
V. BALANCE AVAILABLE FOR APPROPRIATIONS			
		898.51	921.97
VI. APPROPRIATIONS			
i. Proposed Dividend - Equity Shares		-	39.19
ii. Proposed Dividend - Preference Shares		0.12	0.86
iii. Tax on Proposed Dividend		0.02	6.65
iv. Transfer to Capital Redemption Reserve		6.15	6.15
v. Transfer to General Reserve		5.00	20.00
vi. Balance Carried to Balance Sheet		887.22	849.12
TOTAL		898.51	921.97
VII. BASIC AND DILUTED EARNINGS PER SHARE (Not Annualised)			
		₹ 1.05	₹ 3.66
(Nominal value of ₹ 10/- each)			
[Refer Note B-13 of Schedule - 14]			
Significant Accounting Policies and Notes to Accounts	14		

As per our report of even date

For KHANDELWAL JAIN & CO.
Chartered Accountants

SHIVRATAN AGARWAL
Partner
Membership No. 104180

Place : Mumbai
Date : 15th May, 2012

For KADAM & CO.
Chartered Accountants

U. S. KADAM
Partner
Membership No. 31055

For and on behalf of the Board

S. S. DAYAMA
Director

N. B. MANDHANA
Director

AMRUTA S. KARKARE
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2011

(₹ in Million)

	Year ended on 31st Dec., 2011 (12 Months)	Period ended on 31st Dec., 2010 (15 Months)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	52.33	230.39
Adjustments for:		
Depreciation, Amortisation and Impairment	829.18	1,042.24
Interest and Finance Charges	736.75	849.60
Provision for Leave Encashment	0.09	(0.15)
Provision for Warranty and Maintenance Expenses	6.80	2.25
Diminution in Value of Investments	18.72	13.09
Provision for Gratuity	4.93	(0.74)
Provision for Bonus	0.42	(2.93)
Interest Received	(39.88)	(57.40)
Income from Investments and Securities Division	(117.37)	(30.05)
Adjustment of Grant	(3.15)	(5.22)
Profit on Sale of Fixed Assets	(10.03)	(63.06)
Operating Profit before Working Capital Changes	1,478.79	1,978.02
Adjustments for:		
Inventories	(1,624.60)	(158.76)
Sundry Debtors	77.56	(245.04)
Other Current Assets, Loans and Advances	248.88	(607.38)
Trade and Other Payables	(268.44)	1,133.50
Cash (used in)/generated from Operations	(87.81)	2,100.34
Less: Taxes Paid/(Refund) - Net	24.79	50.28
Net Cash (used in)/from Operating Activities	(112.60)	2,050.06
	(A)	
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	57.81	104.17
Interest Received	39.88	57.40
(Increase)/Decrease in Investments	(436.46)	17.96
Income from Investments and Securities Division	117.37	30.05
(Purchase) of Fixed Assets (Including Capital Work-in-Progress)	(1,584.17)	(1,252.59)
Net Cash (used in) Investing Activities	(1,805.57)	(1,043.01)
	(B)	
C. CASH FLOW FROM FINANCING ACTIVITIES		
(Decrease) in Preference Share Capital	(6.15)	(6.16)
Increase/(Decrease) in Working Capital Loans	679.17	(450.93)
Increase/(Decrease) in Term and Other Secured Loans (Net)	600.39	(1,360.61)
Increase in Unsecured Loans	1,404.73	1,749.85
Interest and Finance Charges	(736.75)	(849.60)
Payment of Dividend	(38.97)	(39.59)
Tax on Dividend	(6.65)	(6.87)
Net Cash from/(used in) Financing Activities	1,895.77	(963.91)
	(C)	
Net Change in Cash and Cash Equivalents	(22.40)	43.14
	(A+B+C)	
Opening Balance of Cash and Cash Equivalents	142.12	98.98
Closing Balance of Cash and Cash Equivalents	119.72	142.12

As per our report of even date

For KHANDELWAL JAIN & CO.
Chartered Accountants

SHIVRATAN AGARWAL
Partner
Membership No. 104180

Place : Mumbai
Date : 15th May, 2012

For KADAM & CO.
Chartered Accountants

U. S. KADAM
Partner
Membership No. 31055

For and on behalf of the Board

S. S. DAYAMA
Director

N. B. MANDHANA
Director

AMRUTA S. KARKARE
Company Secretary

SCHEDULES TO BALANCE SHEET

(₹ in Million)

	As at 31st Dec., 2011	As at 31st Dec., 2010
SCHEDULE - 1		
SHARE CAPITAL		
Authorised:		
55,000,000 (Previous period 55,000,000) Equity Shares of ₹ 10/- each	550.00	550.00
7,500,000 (Previous period 7,500,000) Redeemable Preference Shares of ₹ 100/- each	750.00	750.00
	1,300.00	1,300.00
Issued, Subscribed and Paid-up:		
Equity Share Capital		
39,185,675 (Previous period 39,185,675) Equity Shares of ₹ 10/- each fully paid-up (Of the above 6,138,359 (Previous period 6,138,359) Equity Shares of ₹ 10/- each fully paid-up were allotted pursuant to amalgamation without payment being received in cash)	391.86	391.86
	(A) 391.86	391.86
Preference Share Capital		
Nil (Previous period 307,731) 8% Cumulative Redeemable Preference Shares of ₹ Nil (Previous period ₹ 20/- each)	-	6.15
	(B) -	6.15
	TOTAL (A+B) 391.86	398.01
SCHEDULE - 2		
RESERVES AND SURPLUS		
Revaluation Reserve		
As per last Balance Sheet	-	8.75
Less: Transferred to Profit and Loss Account	-	8.75
	(A) -	-
Capital Subsidy		
As per last Balance Sheet	3.00	3.00
	(B) 3.00	3.00
Capital Reserve		
As per last Balance Sheet	0.64	0.64
	(C) 0.64	0.64
Securities Premium Account		
As per last Balance Sheet	899.03	899.03
	(D) 899.03	899.03
Capital Redemption Reserve		
As per last Balance Sheet	774.61	768.46
Add: Transferred from Profit and Loss Account	6.15	6.15
	(E) 780.76	774.61
Debenture Redemption Reserve		
As per last Balance Sheet	13.55	27.20
Less: Transferred to Profit and Loss Account	8.20	13.65
	(F) 5.35	13.55
General Reserve		
As per last Balance Sheet	1,620.62	1,600.62
Add: Transferred from Profit and Loss Account	5.00	20.00
	(G) 1,625.62	1,620.62
Profit and Loss Account		
As per Account annexed	887.22	849.12
	(H) 887.22	849.12
	TOTAL (A to H) 4,201.62	4,160.57

SCHEDULES TO BALANCE SHEET (Continued)

(₹ in Million)

	As at 31st Dec., 2011	As at 31st Dec., 2010
SCHEDULE - 3		
SECURED LOANS		
[Refer Note B-2 of Schedule-14]		
Non-Convertible Debentures	10.67	27.04
Rupee Term Loans from Banks and Financial Institutions	2,178.88	1,591.48
External Commercial Borrowings	965.16	939.56
Vehicle Loan from Banks	3.76	-
Working Capital Loans from Banks	3,614.21	2,935.04
TOTAL	6,772.68	5,493.12
SCHEDULE - 4		
UNSECURED LOANS		
[Refer Note B-3 of Schedule-14]		
From Banks	1,904.58	499.85
From Others	2,250.00	2,250.00
TOTAL	4,154.58	2,749.85

SCHEDULE - 5
FIXED ASSETS

(₹ in Million)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION / IMPAIRMENT				NET BLOCK	
	As at 31.12.2010	Additions	Deductions	As at 31.12.2011	Upto 31.12.2010	For the Year	Deductions/ Adjustments	Upto 31.12.2011	As at 31.12.2011	As at 31.12.2010
Tangible Assets										
Freehold Land	8.14	-	-	8.14	-	-	-	-	8.14	8.14
Building	1,634.89	3.04	-	1,637.93	424.88	30.63	-	455.51	1,182.42	1,210.01
Plant and Machinery *	14,436.54	1,011.00	65.04	15,382.50	7,665.79	792.97	17.26	8,441.50	6,941.00	6,770.75
Electrical Installation	94.44	5.84	-	100.28	88.96	1.01	-	89.97	10.31	5.48
Computers	36.56	0.90	-	37.46	34.67	0.64	-	35.31	2.15	1.89
Furniture and Fixtures	32.29	33.66	-	65.95	25.93	2.67	-	28.60	37.35	6.36
Office Equipments	17.80	5.00	-	22.80	11.93	0.96	-	12.89	9.91	5.87
Vehicles	10.68	4.37	0.58	14.47	9.42	0.30	0.58	9.14	5.33	1.26
Intangible Assets										
Computers Software	18.92	-	-	18.92	18.92	-	-	18.92	-	-
Sub-Total	16,290.26	1,063.81	65.62	17,288.45	8,280.50	829.18	17.84	9,091.84	8,196.61	8,009.76
Capital Work-in-Progress	57.39	-	-	577.75	-	-	-	-	577.75	57.39
Total as at 31st December, 2011	16,347.65	1,063.81	65.62	17,866.20	8,280.50	829.18	17.84	9,091.84	8,774.36	8,067.15
As at 31st December, 2010	15,088.31	1,273.87	71.92	16,290.26	7,260.32	1,050.99	30.81	8,280.50	8,009.76	
Capital Work-in-Progress	78.67	-	-	57.39	-	-	-	-	57.39	
Total as at 31st December, 2010	15,166.98	1,273.87	71.92	16,347.65	7,260.32	1,050.99	30.81	8,280.50	8,067.15	

* The Gross Block of Plant and Machinery includes ₹ 1,232.14 million on account of revaluation on 1st April, 1998.

SCHEDULES TO BALANCE SHEET (Continued)

	Face Value	As at 31st December, 2011		As at 31st December, 2010	
		Nos.	₹ in Million	Nos.	₹ in Million
SCHEDULE - 6					
INVESTMENTS					
LONG-TERM INVESTMENTS					
QUOTED					
IN SHARES - TRADE					
Videocon Industries Limited	₹ 10	435,411	75.72	435,411	94.40
	(A)		75.72		94.40
IN SHARES - OTHERS					
Punj Lloyd Limited	₹ 2	500	0.02	500	0.06
Sri Laxmi Saraswati Textiles Limited	₹ 10	11,800	0.16	11,800	0.16
Hindustan Adhesive Limited	₹ 10	14,200	0.09	14,200	0.09
India Steel Works Limited	₹ 1	7,500	0.02	7,500	0.02
	(B)		0.29		0.33
UNQUOTED					
IN SHARES - TRADE					
Ahmednagar Electronics Private Limited	₹ 10	49,900	0.50	49,900	0.50
Applicomp (India) Limited	₹ 10	9,712,000	97.12	9,712,000	97.12
Century Appliances Limited	₹ 10	990,000	9.90	990,000	9.90
Display Devices Private Limited	₹ 100	300	0.03	300	0.03
Force Appliances Private Limited	₹ 10	1,360,000	54.00	1,360,000	54.00
Indian Refrigerator Company Limited	₹ 10	849,930	8.50	849,930	8.50
KAIL Limited	₹ 10	4,186,000	66.14	4,186,000	66.14
Millennium Appliances India Limited	₹ 10	10,000	0.10	10,000	0.10
Plugin Sales Limited	₹ 100	1,900	0.19	1,900	0.19
Techno Electronics Limited	₹ 10	-	-	6,352,941	63.53
	(C)		236.48		300.01
IN SHARES - OTHERS					
Digital Display Devices S.p.A.	€ 1	36,000	1.96	36,000	1.96
Holzmann Videocon Engineers Limited	₹ 10	340,600	-	340,600	-
H1 Hospitality Private Limited	₹ 10	1,900	0.02	1,900	0.02
Jupiter Corporation Inc	US\$ 1	190	0.01	190	0.01
Kores India Limited	₹ 10	305,000	0.31	305,000	0.31
Mars Overseas Limited	US\$ 1	190,000	7.65	190,000	7.65
PT Videocon Indonesia	US\$ 50	475	0.94	475	0.94
Powerking Corporation Limited	US\$ 1	2,717	0.13	2,717	0.13
Quadrant Corporation Inc	US\$ 1	190	0.01	190	0.01
Sapphire Overseas Inc.	US\$ 1	1,900	0.08	1,900	0.08
Taurus Overseas Inc.	US\$ 1	190	0.01	190	0.01
Trend Limited	US\$ 1	76,000	3.49	76,000	3.49
Tusker Overseas Inc	US\$ 1	190	0.01	190	0.01
VCIL Netherlands B.V.	€ 100	34	0.13	34	0.13
Venus Corporation Limited	US\$ 1	2,983	0.14	2,983	0.14

SCHEDULES TO BALANCE SHEET (Continued)

	Face Value	As at 31st December, 2011		As at 31st December, 2010	
		Nos.	₹ in Million	Nos.	₹ in Million
SCHEDULE - 6 INVESTMENTS (Contd.)					
Videocon (Cayman) Limited	US\$ 1	579,500	28.65	579,500	28.65
Videocon (Mauritius) Infrastructure Ventures Limited	US\$ 1	100,700	4.92	100,700	4.92
Videocon Oil Services Limited	₹ 10	9,500	0.10	9,500	0.10
Videocon Realty Private Limited	₹ 10	2,500	0.03	2,500	0.03
Titan Realty Private Limited	₹ 10	2,500	0.03	2,500	0.03
Videocon SEZ Infrastructures Private Limited	₹ 10	2,500	0.03	2,500	0.03
Videocon SEZ Infrastructures (Pune) Private Limited	₹ 10	510,000	5.10	510,000	5.10
Veronica Properties Private Limited	₹ 10	2,500	0.03	2,500	0.03
Zodiac Corporation Limited	US\$ 1	-	-	190	0.01
Bombay Mercantile Co-Operative Bank Limited	₹ 10	500	0.01	500	0.01
Co-Operative Societies			0.002		0.002
	(D)		53.75		53.76
IN PREFERENCE SHARES					
Plugin Sales Limited	₹ 100	3,800	0.38	3,800	0.38
	(E)		0.38		0.38
IN MUTUAL FUNDS					
Axis Equity Fund	₹ 10	50,000	0.50	50,000	0.50
	(F)		0.50		0.50
SHARE APPLICATION MONEY PENDING ALLOTMENT					
Sapphire Overseas Inc.			80.58		80.58
Bharat Business Channel Limited			500.00		-
	(G)		580.58		80.58
TOTAL INVESTMENTS	(A to G)		947.70		529.96
Aggregate Book Value of Quoted Investments			76.01		94.73
Aggregate Market Value of Quoted Investments			76.13		95.19
Aggregate Book Value of Unquoted Investments			871.69		435.23

SCHEDULES TO BALANCE SHEET (Continued)

(₹ in Million)

	As at 31st Dec., 2011	As at 31st Dec., 2010
SCHEDULE - 7		
CURRENT ASSETS, LOANS AND ADVANCES		
A) Inventories		
(As taken, valued and certified by the Management)		
Raw Materials including Consumables, Stores and Spares	3,927.29	2,530.29
Work-in-Process	1,071.71	865.50
Finished Goods	221.67	222.82
Material in Transit and in Bonded Warehouse	192.28	169.74
	(A) 5,412.95	3,788.35
B) Sundry Debtors (Unsecured, considered good)		
Outstanding for a period exceeding six months	3.06	2.73
Others	2,579.11	2,657.00
	(B) 2,582.17	2,659.73
C) Cash and Bank Balances		
Cash on hand	2.01	0.18
Balances with Scheduled Banks:		
In Current Accounts	38.42	67.43
In Fixed Deposits	70.27	66.57
In Dividend Warrant Accounts (Per Contra)	9.02	7.94
	(C) 119.72	142.12
D) Other Current Assets		
Insurance Claim Receivable	0.57	-
Interest Accrued	3.05	5.66
	(D) 3.62	5.66
E) Loans and Advances (Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	893.73	1,148.89
Advance Tax and TDS (Net of Provision)	13.09	-
Advance Fringe Benefit Tax (Net of Provision)	-	0.13
Balance with Central Excise/Custom Department	2.92	4.42
MAT Credit entitlement	6.90	4.94
Sundry Deposits	15.19	5.37
	(E) 931.83	1,163.75
TOTAL (A to E)	9,050.29	7,759.61
SCHEDULE - 8		
CURRENT LIABILITIES AND PROVISIONS		
A) Current Liabilities		
Sundry Creditors *		
- Due to Micro Small and Medium Enterprises	-	-
- Due to Others	2,031.92	2,248.89
Bank Overdraft as per books	7.58	-
Interest Accrued but not due	7.24	2.81
Unclaimed Dividend Account (Per Contra)	9.02	7.94
Other Liabilities	160.34	223.82
* Including Acceptance of ₹ 720.22 million (Previous period ₹ 790.11 million)		
	(A) 2,216.10	2,483.46
B) Provisions		
Proposed Dividend - Equity Shares	-	39.19
Proposed Dividend - Preference Shares	0.12	0.86
Provision for Tax on Dividend	0.02	6.65
Provision for Income Tax (Net of Advance Tax)	-	3.84
Provision for Warranty and Maintenance Expenses	44.05	37.25
Provision for Bonus	1.39	0.97
Provision for Gratuity	12.59	7.66
Provision for Leave Encashment	3.63	3.54
	(B) 61.80	99.96
TOTAL (A + B)	2,277.90	2,583.42

SCHEDULES TO PROFIT AND LOSS ACCOUNT

(₹ in Million)

	Year ended on 31st Dec., 2011 (12 months)	Period ended on 31st Dec., 2010 (15 months)
SCHEDULE - 9		
OTHER INCOME		
Income from Investments and Securities Division [Refer Note B-8 of Schedule-14]	98.65	16.96
Profit on Sale of Fixed Assets	10.03	63.06
Miscellaneous Income	3.74	5.97
Exchange Rate Fluctuations	-	11.10
TOTAL	112.42	97.09
SCHEDULE - 10		
COST OF GOODS CONSUMED/SOLD		
A. Material and Components Consumed		
Opening Stock	2,530.29	2,498.52
Add: Purchases	12,732.08	14,433.90
	15,262.37	16,932.42
Less: Closing Stock	3,927.29	2,530.29
(A)	11,335.08	14,402.13
B. (Increase) / Decrease in Stock		
Closing Stock:		
Finished Goods	221.67	222.82
Work-in-Process	1,071.71	865.50
	1,293.38	1,088.32
Opening Stock:		
Finished Goods	222.82	235.41
Work-in-Process	865.50	851.59
	1,088.32	1,087.00
(B)	(205.06)	(1.32)
TOTAL (A+B)	11,130.02	14,400.81
SCHEDULE - 11		
SALARY, WAGES AND EMPLOYEES' BENEFITS		
Salary, Wages and Other Benefits	211.03	235.06
Contribution to Provident and Other Funds	17.99	14.05
Staff Welfare	14.18	24.24
TOTAL	243.20	273.35
SCHEDULE - 12		
MANUFACTURING AND OTHER EXPENSES		
Power, Fuel and Water	65.05	84.74
Repairs to Plant and Machinery	13.47	25.23
Repairs to Building	1.19	1.45
Repairs to Others	2.70	8.97
Carriage and Cartage	103.28	144.11
Rent	16.95	1.04
Rates and Taxes	19.94	23.00
Insurance	3.72	5.30
Warranty and Maintenance Expenses	59.80	84.50
Advertisement, Publicity and Sales Promotion	17.41	25.44
Bank Charges	29.75	27.25
Donation	1.19	-
Auditors' Remuneration	1.91	2.00
Directors' Sitting Fees	0.05	0.07
Exchange Rate Fluctuations	155.18	-
Miscellaneous Expenses	56.10	61.27
TOTAL	547.69	494.37
SCHEDULE - 13		
INTEREST AND FINANCE CHARGES		
On Fixed Period Borrowings	379.19	409.02
On Others	357.56	440.58
	736.75	849.60
Less: Interest Received	39.88	57.40
(TDS ₹ 3.82 million, Previous period ₹ 5.62 million)		
TOTAL	696.87	792.20

SCHEDULE - 14

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A) SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

a) The financial statements are prepared under the historical cost convention, except for certain fixed assets which are revalued, using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, 1956, including the mandatory Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006.

b) Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Example of such estimates include provisions for doubtful debts, employee retirement benefits plans, provision for income tax, provision for warranty cost and the useful lives of fixed assets. The difference between the actual results and estimates are recognised in the year in which the results are known and materialised.

2. Fixed Assets/Capital Work-in-Progress

a) Fixed Assets are stated at cost, except for certain fixed assets which have been stated at revalued amounts, less accumulated depreciation/amortisation and impairment loss, if any. The cost is inclusive of freight, installation cost, duties, taxes, financing cost and other incidental expenses related to the acquisition and installation of the respective assets but does not include tax/duty credits availed.

b) Capital Work-in-Progress is carried at cost, comprising of direct cost, attributable interest and related incidental expenditure. The advances given for acquiring fixed assets are shown under Capital Work-in-Progress.

3. Depreciation

The Company provides depreciation on fixed assets on straight line method at the rates specified in the Schedule XIV to the Companies Act, 1956, except on plant and machinery used in Refrigerator and Washing Machine Divisions, on which depreciation has been provided on written down value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

Intangible Assets are amortised over a period of five years.

4. Impairment of Assets

The Fixed Assets or a group of assets (cash generating units) are reviewed for impairment at each Balance Sheet date. In case of any such indication, the recoverable amount of these assets or group of assets is determined, and if such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the impairment loss is recognised by writing down such assets to their recoverable amount. An impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased.

5. Investments

Quoted Investments are valued at cost or market value whichever is lower. Unquoted Investments are stated at cost. The decline in the value of the Unquoted Investments, other than temporary, is provided for. Cost is inclusive of brokerage, fees and duties but excludes Securities Transaction Tax.

6. Inventories

Inventories are valued at cost or net realisable value whichever is lower. Cost of inventories comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

7. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of that assets. Other borrowing costs are recognised as an expense in the period in which they are incurred.

8. Excise and Customs Duty

Excise Duty in respect of finished goods lying in the factory premises and Customs Duty on goods lying in customs bonded warehouse are provided for and included in the valuation of inventory.

9. CENVAT/Value Added Tax

CENVAT/Value Added Tax benefit is accounted for by reducing the purchase cost of the materials/fixed assets/services.

10. Revenue Recognition

a) Revenue is recognised on transfer of significant risk and reward in respect of ownership.

b) Sales/Turnover for the year includes sales value of goods, excise duty, duty drawback and other recoveries such as insurance, transportation and packing charges but excludes sales tax, value added tax and recovery of finance and discounting charges.

c) Insurance, Duty Drawback and other claims are accounted for as and when admitted by the appropriate authorities.

d) Dividend on investments is recognised when the right to receive is established.

11. Foreign Currency Transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transactions. Foreign Currency Monetary Assets and Liabilities are translated at the year end rate. The difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of Monetary Items at the end of the year is recognised, as the case may be, as income or expense for the year/period.

12. Employee Benefits

a) Short Term Employees Benefits

Short Term Employees Benefits are recognised as an expense at the undiscounted amount in the Profit and Loss Account of the period in which the related services are rendered.

b) Post Employment Benefits

i) Provident Fund - Defined Contribution Plan

The Company contributes monthly at a determined rate. These contributions are remitted to the Employees' Provident Fund Organisation, India for this purpose and is charged to Profit and Loss Account on accrual basis.

ii) Gratuity - Defined Benefit Plan

The Company provides for gratuity to all the eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, on death while in employment, or termination of employment for an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs on the completion of five years of service. Liability in respect of gratuity is determined using the projected unit credit method with actuarial valuations as on the Balance Sheet date and gains/losses are recognised immediately in the Profit and Loss Account.

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iii) Leave Encashment

Liability in respect of leave encashment is determined using the projected unit credit method with actuarial valuations as on the Balance Sheet date and gains/losses are recognised immediately in the Profit and Loss Account.

13. Taxation

Income tax comprises of current tax and deferred tax. Provision for current income tax is made on the assessable income/benefits at the rate applicable to the relevant assessment year. Deferred tax assets and liabilities are recognised for the future tax consequences of timing differences, subject to the consideration of prudence. Deferred tax assets and liabilities are measured using the tax rates enacted or substantively enacted by the Balance Sheet date. The carrying amount of deferred tax asset/liability are reviewed at each Balance Sheet date and recognised and carried forward only to the extent that there is a reasonable certainty that the asset will be realised in future.

Minimum Alternate Tax (MAT) paid on the book profits, which give rise to future economic benefits in the form of tax credit against future income-tax liability, is recognised as an asset in the Balance Sheet if there is convincing evidence that the Company will pay normal tax within the period specified for utilisation of such credit.

14. Research and Development

Revenue Expenditure pertaining to Research and Development is charged to revenue under the respective heads of account in the year in which it is incurred. Capital expenditure, if any, on Research and Development is shown as an addition to Fixed Assets, under the respective heads.

15. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources in respect of which reliable estimates can be made.

Contingent Liabilities are disclosed by way of Notes to Accounts. Disputed demands in respect of Central Excise, Custom duty, Income tax and Sales tax are disclosed as contingent liabilities. Payment in respect of such demands, if any, is shown as an advance, till the final outcome of the matter.

Contingent assets are not recognised in the financial statements.

16. Warranty

Provision for the estimated liability in respect of warranty on sale of consumer electronics and home appliances products is made in the year in which the revenue is recognised, based on technical evaluation and past experience.

17. Prior period Items etc.

Prior period items are included in the respective heads of accounts and material items are disclosed by way of Notes to Accounts.

18. Other Accounting Policies

These are consistent with the generally accepted accounting principles.

B) NOTES TO ACCOUNTS

(₹ in Million)

	As at 31st Dec., 2011	As at 31st Dec., 2010
1. Contingent Liabilities not provided for in respect of:		
a) Letters of Guarantees	19.87	27.67
b) Letters of Credit opened	332.99	146.18
c) Excise Duty demands under dispute (Amount paid under protest ₹ 1.00 million, Previous period ₹ 1.00 million)	5.10	2.29
d) Custom Duty demands under dispute (Amount paid under protest ₹ 2.59 million, Previous period ₹ 2.59 million)	13.27	12.38
e) Service Tax demands under dispute	18.18	1.00
f) Sales Tax demands under dispute (Amount paid under protest ₹ 27.93 million, Previous period ₹ 27.93 million)	86.18	86.18
g) The Company is a Co-guarantor in respect of borrowings of group companies. The aggregate amount of said guarantees, extended alongwith 8 other Co-guarantors are ₹ 8,311.10 million (Previous period ₹ 9,056.00 million). The said guarantees are extended on the basis of support in the form of undertaking provided by certain other group companies to the extent of the amount of the guarantees. Further, the Company is a Co-guarantor along with 14 other Co-guarantors in respect of borrowings of group companies amounting to ₹ 3,500.00 million (Previous period ₹ 3,500.00 million).		
2. Secured Loans:		
a) The Non-Convertible Debentures are secured by first mortgage and charge on immovable and movable properties, both present and future, subject to prior charge on specified movables created/to be created in favour of Company's Bankers for securing borrowings for working capital requirements and excluding equipments charged to Financial Institutions for their equipment finance, ranking <i>pari-passu</i> with the charge created and/or to be created in favour of Financial Institutions/ Banks in respect of their existing and future financial assistance. The Debentures referred above are redeemable at par in one or more installments on or before 1st April, 2012.		
b) Rupee Term Loans from Banks and Financial Institutions of ₹ 1,167.73 million are secured by mortgage and charge on the immovable and movable properties, both present and future (subject to the charges created and/or to be created in favour of bankers on specified movables/current assets for securing borrowings for working capital requirements), ranking <i>pari-passu</i> with the charges created and/or to be created in favour of other lenders and guaranteed by Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot. Rupee Term Loan from Bank of ₹ 1,011.15 million is secured by <i>pari-passu</i> charge over all the inventories and book debts of the Company and an exclusive charge over the inventories and book debts created out of that loan and personal guarantees of Mr. Venugopal N. Dhoot and Mr. Pradipkumar N. Dhoot.		
c) External Commercial Borrowings are secured by a first charge ranking <i>pari-passu</i> on the movable and immovable fixed assets. The loan is further secured by corporate guarantee given by Videocon Industries Limited.		
d) Vehicle Loans from Banks are secured by way of hypothecation of vehicles acquired out of the said loan.		
e) The Working Capital Loans from Banks are secured by hypothecation of inventories, book debts and other receivables, both present and future.		

3. Unsecured Loans from Banks are guaranteed by Mr. Venugopal N. Dhoot.
4. Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances) ₹ 31.82 million (Previous period ₹ 5.07 million).
5. Capital Work-in-Progress includes advances for capital assets of ₹ 1.00 million (Previous period ₹ 12.54 million).
6. The Company has made a provision of ₹ 14.00 million (Previous period ₹ 43.90 million) towards current income tax, after taking into consideration, the benefits admissible under the provisions of the Income Tax Act, 1961 and the same is, in the opinion of the Management, adequate.
7. The Minimum Alternate Tax (MAT) paid by the Company is entitled to be carried forward and utilised in subsequent years. In the opinion of Management, on the basis of projections and the estimates of future taxable income, the Company would have normal tax liability within the specified period to avail such MAT credit. Consequently, the Company has recognized the MAT credit entitlement of ₹ 1.96 million (Previous period ₹ 4.94 million).
8. The Company has kept the investment activities separate and distinct from the normal business. Consequently, all the income and expenditure pertaining to investment activities has been allocated to the Investments and Securities Division and the income after netting off the related expenditure has been shown as "Income from Investments and Securities Division" under "Other Income". The Income/(Loss) from Investments and Securities Division includes:

(₹ in Million)

	Year ended 31st Dec., 2011	Period ended 31st Dec., 2010
i) Dividend on long term investments	1.11	1.02
ii) Gain on sale of long term investments	116.26	29.30

9. As per the accounting policy followed by the Company, the Grant received from Ozone Projects Trust Fund for financing the machinery under the project has been treated as "deferred income" to be recognised in Profit and Loss Account over the useful life of the assets under the project. Accordingly, an amount of ₹ 3.15 million (Previous period ₹ 5.22 million) has been allocated to income and credited to miscellaneous income, in proportion to the depreciation charged on those assets for the period. The balance deferred income has been carried to Balance Sheet as Grant from Ozone Projects Trust Fund.
10. The Company is primarily engaged in manufacturing of Electrical and Electronic Appliances and there is no other reportable segment as defined in Accounting Standard 17 "Segment Reporting".
11. **Related Party Disclosures:**
- a) Key Management Personnel
- Mr. Sanjay R. Patil (Asst. General Manager)
- b) Transactions with Related Parties:
Remuneration to Key Management Personnel ₹ 2.31 Million (Previous period ₹ 2.37 Million)

(₹ in Million)

	As at 31st Dec., 2011	As at 31st Dec., 2010
A. Deferred Tax Liabilities		
Depreciation on Fixed Assets and Amortisation	968.35	972.32
	968.35	972.32
B. Deferred Tax Assets		
Expenses charged in the financial statements but allowable as deduction in future years under the Income Tax Act, 1961	7.46	16.54
	7.46	16.54
Net Deferred Tax Liability	960.89	955.78

(₹ in Million)

	Year ended 31st Dec., 2011	Period ended 31st Dec., 2010
13. Earnings Per Share:		
a) Net Profit as per Profit and Loss Account	35.18	160.54
Add/(Less): Excess/(Short) Provision of Income Tax for earlier years	6.01	(16.14)
	41.19	144.40
Less: Dividend on Preference Shares and tax thereon	0.14	1.00
Net Profit attributable to Equity Shareholders	41.05	143.40
b) Weighted Average Number of Equity Shares	39,185,675	39,185,675
c) Basic and Diluted Earnings Per Share of ₹ 10/- each	₹ 1.05	₹ 3.66

VALUE INDUSTRIES LIMITED
14. Employees Benefits:
i) Defined Contribution Plans:

Amount of ₹ 17.99 million (Previous period ₹ 14.05 million) is recognised as an expense and shown under the head "Salary, Wages and Employees' Benefits" (Schedule-11) in the Profit and Loss Account.

ii) Defined Benefit Plans:

		(₹ in Million)			
		Gratuity		Leave Encashment	
		31st Dec., 2011	31st Dec., 2010	31st Dec., 2011	31st Dec., 2010
a)	The amounts recognised in the Balance Sheet as at the end of the year				
1.	Present Value of Defined Benefit obligation	19.95	15.73	3.63	3.54
2.	Fair value of Plan Assets	7.36	8.07	-	-
3.	Funded Status – Surplus/(Deficit)	(12.59)	(7.66)	(3.63)	(3.54)
4.	Net Assets/(Liability)	(12.59)	(7.66)	(3.63)	(3.54)
b)	The amounts recognised in Profit and Loss for the year/period				
1.	Current Service Cost	1.39	1.48	0.49	1.11
2.	Interest Cost	1.51	1.53	0.27	0.40
3.	Actuarial (Gain)/Losses	2.71	(0.61)	1.78	2.11
4.	Actual Return on Plan Assets	0.68	0.66	-	-
5.	Total Expenses	4.93	1.74	2.54	3.62
c)	The changes in Obligations during the year/period				
1.	Present value of Defined Benefit Obligation at the beginning of the year	15.73	16.51	3.54	3.69
2.	Current Service Cost	1.39	1.48	0.49	1.11
3.	Interest Cost	1.51	1.53	0.27	0.40
4.	Actuarial (Gain)/Losses	2.71	(0.61)	1.78	2.11
5.	Benefit Payments	1.39	3.18	2.45	3.77
6.	Present value of Defined Benefit Obligation at the end of the year/period	19.95	15.73	3.63	3.54
d)	The changes in Plan Assets during the year/period				
1.	Plan Assets at the beginning of the year	8.07	8.11	-	-
2.	Contribution by Employer	-	2.48	-	-
3.	Actual Benefit paid	1.39	3.18	-	-
4.	Plan Assets at the end of the year/period	7.36	8.07	-	-
5.	Actual return on Plan Assets	0.68	0.66	-	-
e)	Actuarial assumptions				
1.	Discount Rate	8% Per annum			
2.	Mortality	L.I.C. (1994-96) Ultimate			
3.	Turnover Rate	5% at younger ages reducing to 1% at older ages			
4.	Future Salary Increase	5% Per annum			

15. a) The Financial Institutions have a right to convert, at their option, the whole outstanding amount of term loans or a part not exceeding 20% of defaulted amount of loan, whichever is lower, into fully paid up Equity Shares of the Company at par on default in payments/repayments of three consecutive installments of principal and/or interest thereon or on mismanagement of the affairs of the Company.

b) The Financial Institutions have a right to convert at their option, the whole or a part of the outstanding amount of Preference Shares, into fully paid up Equity Shares of the Company as per SEBI guidelines, on default in payment of dividend or a default in redemption of Preference Shares or any combination thereof.

16. The outstanding balances of certain Debtors, Creditors, Deposits and Advances are subject to confirmation.

17. In the opinion of the Board, the value on realisation of Current Assets, Loans and Advances in the Ordinary course of the business would not be less than the amount at which they are stated in the Balance Sheet and the Provision for all known and determined liabilities is adequate and not in excess of the amount reasonably required.

18. There are no amounts due and outstanding, to be credited to the Investor Education and Protection Fund.

19. Auditors' Remuneration: (Excluding Service Tax)

		(₹ in Million)	
		Year ended 31st Dec., 2011	Period ended 31st Dec., 2010
a)	Audit fees	1.30	1.30
b)	Tax Audit fees	0.15	0.15
c)	Other services	0.44	0.52
d)	Out of Pocket Expenses	0.02	0.03
TOTAL		1.91	2.00

(₹ in Million)

20. Disclosures under Micro, Small and Medium Enterprises Development Act, 2006:

	As at 31st Dec., 2011	As at 31st Dec., 2010
a) Principal amount remaining unpaid to any suppliers as at the end of each accounting year	-	-
b) Interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
c) The amount of interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
d) The amount of interest due and payable for the period of delay in making the payment	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006	-	-

Note: The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent of such vendors/parties identified from the available information.

21. As required by Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets" issued by the Institute of Chartered Accountants of India, the disclosure with respect to Provision for Warranty and Maintenance Expenses is as follows:

	Year ended 31st Dec., 2011	Period ended 31st Dec., 2010
a) Amount at the beginning of the year	37.25	35.00
b) Additional provision made during the year/period	42.23	36.48
c) Amount used	35.43	34.23
d) Amount at the end of the year/period	44.05	37.25

22. Additional Information pursuant to the provisions of paragraphs 3, 4C, 4D of part II of Schedule VI to the Companies Act, 1956.

	Year ended 31st December, 2011		Period ended 31st December, 2010	
	Quantity	₹ in Million	Quantity	₹ in Million
Details of Production, Purchase, Stock and Turnover: (As certified by the Management)				
I. Production: (including goods manufactured through third parties and others but excluding goods manufactured for others on job basis)				
Electrical and Electronic Appliances	2,342,107	Nos.	2,958,438	Nos.
II. Opening Stock:				
Electrical and Electronic Appliances	71,556	Nos.	76,980	Nos.
		222.82		235.41
III. Closing Stock:				
Electrical and Electronic Appliances	64,251	Nos.	71,556	Nos.
		221.67		222.82
IV. Sales:				
Electrical and Electronic Appliances	2,349,412	Nos.	2,963,862	Nos.
		13,793.13		17,540.96
V. Raw Materials including Stores and Spares Consumed:				
a) Steel Sheets	27,622	MT	30,659	MT
		2,021.70		1,418.61
b) Electrical & Electronic Components/Parts	*	5,690.22	*	8,364.75
c) Other Raw material/Stores	*	3,623.16	*	4,618.77
TOTAL		11,335.08		14,402.13

*It is not practicable to furnish quantitative information of components consumed in view of considerable number of items, of diverse in size and number.

Note: The industrial licensing has been abolished in respect of the products of the Company.

	Year ended 31st December, 2011		Period ended 31st December, 2010	
	Percentage	₹ in Million	Percentage	₹ in Million
VI. Value of Imported and Indigenous Raw Materials, Components and Spares Consumed:				
Imported	8.71	986.92	8.05	1,159.37
Indigenous	91.29	10,348.16	91.95	13,242.76
TOTAL		11,335.08		14,402.13

	Year ended	Period ended
	31st December, 2011	31st December, 2010
	₹ in Million	₹ in Million
VII. C.I.F. Value of Imports and Expenditure in Foreign Currency:		
a) C.I.F. Value of Imports:		
Raw Materials	923.63	1,160.98
Capital Goods	4.60	6.44
b) Expenditure incurred in Foreign Currency: (on Payment Basis)		
Interest and Bank Charges	24.77	35.82

VIII. The Company has paid dividend in respect of shares held by Non-Residents on repatriation basis where the amount is also credited to Non-Resident External Account (NRE A/c). The exact amount of dividend remitted in foreign currency cannot be ascertained. The total amount remittable in this respect is given below:

	Year ended	Period ended
	31st December, 2011	31st December, 2010
a) Number of Non-Resident Shareholders	314	308
b) Number of Equity Shares held by them	149,515	122,672
c) Gross Amount of Dividend (₹ in Million)	0.15	0.12
d) Year to which Dividend relates	2009-10	2008-09

23. 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. Figures in respect of previous period have been regrouped, reclassified and recasted wherever necessary to make them comparable with those of current year.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS		Application of Funds	
Registration Number	L99999MH1988PLC046445	Net Fixed Assets	8,774.36
State Code	11	Investments	947.70
Balance Sheet Date	31st December, 2011	Net Current Assets	6,772.39
II. CAPITAL RAISED DURING THE YEAR (Amounts ₹ in Million)		Accumulated Losses	NIL
Public Issue	NIL	IV. PERFORMANCE OF COMPANY (Amounts ₹ in Million)	
Rights Issue	NIL	Total Income (Including Other Income)	13,499.29
Bonus Issue	NIL	Total Expenditure	13,446.96
Private Placement	NIL	Profit Before Tax	52.33
III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS		Profit After Tax	35.18
(Amounts ₹ in Million)		Earnings per Share in ₹	1.05
Total Liabilities	16,494.45	Dividend Rate %	NIL
Total Assets	16,494.45	V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS OF THE COMPANY	
Sources of Funds		(As per monetary terms)	
Paid-up Capital	391.86	a) Item Code No. (ITC Code)	8450.00
Reserves and Surplus	4,201.62	Product Description	Washing Machine
Government Grant	12.82	b) Item Code No. (ITC Code)	8415.10
Deferred Tax Liability (Net)	960.89	Product Description	Air Conditioner
Secured Loans	6,772.68	c) Item Code No. (ITC Code)	8418.21
Unsecured Loans	4,154.58	Product Description	Refrigerator

As per our report of even date

For KHANDELWAL JAIN & CO.
Chartered Accountants

SHIVRATAN AGARWAL
Partner
Membership No. 104180

For KADAM & CO.
Chartered Accountants

U. S. KADAM
Partner
Membership No. 31055

For and on behalf of the Board

S. S. DAYAMA
Director

N. B. MANDHANA
Director

Place : Mumbai
Date : 15th May, 2012

AMRUTA S. KARKARE
Company Secretary

PROXY FORM

VALUE INDUSTRIES LIMITED

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

Regd. Folio No./Client ID No. & DP ID No. No. of shares held:.....

I/We of

..... in the district of

..... being a member / members of the above-

named Company hereby appoint of

..... in the district of or failing him

..... of in the

district of as my/our proxy to vote for me/us on my/our behalf at the Twenty-Fourth Annual General Meeting of the Company to 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) and at any adjournment thereof.

Signed this day of 2012.

Affix
₹ 1/-
Revenue
Stamp

NOTE: This 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.



ATTENDANCE SLIP

VALUE INDUSTRIES LIMITED

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

Regd. Folio No./Client ID No. & DP ID No. No. of Shares held

I certify that I am a registered Shareholder/Proxy for the registered Shareholder of the Company.

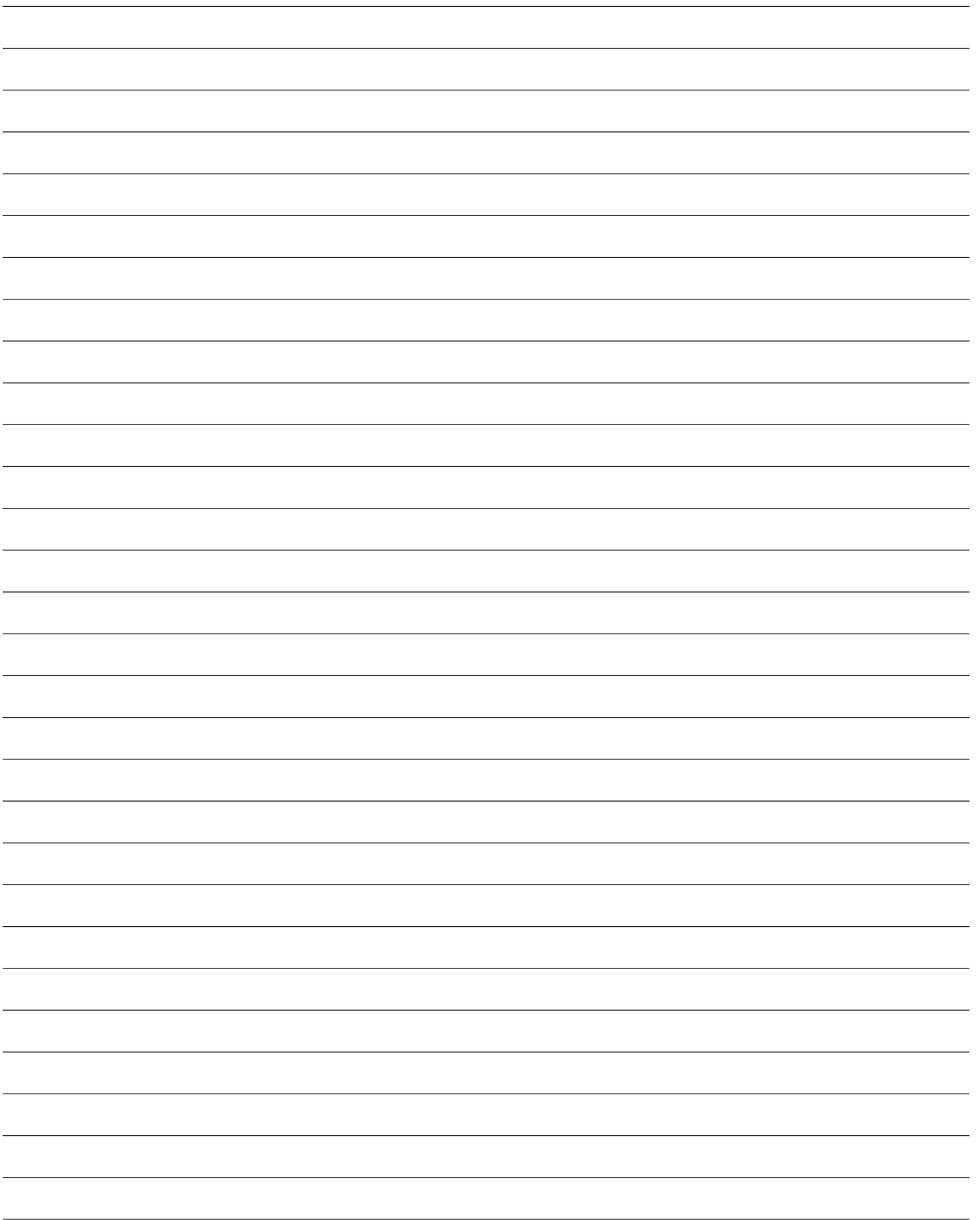
I hereby record my presence at the Twenty-Fourth Annual General Meeting of the Company held on Friday, 29th June, 2012 at 10.00 a.m. at the Registered Office of the Company at 14 K.M. Stone, Aurangabad - Paithan Road, Village: Chittegaon, Taluka: Paithan, District: Aurangabad - 431 105 (Maharashtra).

.....
Member's / Proxy's Name in Block Letters

.....
Member's / Proxy's Signature

Note: Please fill in this attendance slip and hand it over at the ENTRANCE OF THE HALL.
Please read errata for typesetting matter.

TEAR HERE



GREEN INITIATIVE

Ministry of Corporate Affairs (“MCA”) has launched a “Green Initiative in Corporate Governance” by allowing paperless compliances by the companies. MCA has issued circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011, respectively, allowing companies to send official documents to their shareholders in electronic mode.

Keeping in view the underlying theme and the circular(s) issued by MCA, the Company proposes to send Notices of General Meeting(s), Financial Statements, Annual Reports and other shareholders’ communications in electronic mode. This will be sent to the shareholders’ e-mail address(es) provided by the depositories and registered with the Company.

E-mail Communications to the shareholders will result in multiple benefits as under:

- Timely receipt of all communications without any transit loss.
- Helping in protecting environment and conservation of resources.
- Easy storage in soft copy, thereby eliminating the requirement of storage of bulky documents for subsequent reference.

The Company will simultaneously display full text of the Annual Report and other shareholders’ communications on its website www.valueind.in, as soon as the same is e-mailed to the shareholders and will also be made available for inspection at the Registered Office of the Company during the office hours.

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.

The shareholders of the Company, receiving the documents in electronic mode, will be entitled to be furnished, free of cost, a printed copy of the Annual Report and other shareholders’ communications of the Company, upon receipt of a requisition from shareholder, at any time.

BOOK-POST

If undelivered, please return to:

MCS Limited

Unit: Value Industries Limited

Kashiram Jamnadas Building, Office No. 21/22, Ground Floor,
5, P.D'mello Road (Ghadiyal Godi), Masjid (East), Mumbai 400 009.



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