

VALUE INDUSTRIES LIMITED

**21st Annual Report
2007-2008**

VALUE INDUSTRIES LIMITED

(Formerly: Videocon Appliances Limited)

BOARD OF DIRECTORS

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

AUDITORS**KHANDELWAL JAIN & CO.**

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

KADAM & CO.

Chartered Accountants
 Ahmednagar College Road, Kothi,
 Near Badve Petrol Pump,
 Ahmednagar - 414 001

BANKERS

Indian Bank
 Punjab National Bank
 State Bank of Bikaner & Jaipur
 Axis Bank Ltd
 UCO Bank

Allahabad Bank
 Bank of Baroda
 State Bank of Indore
 Federal Bank
 Bank of India

COMPANY SECRETARY

Hiren N. Shah

REGISTERED OFFICE

14 KM. Stone, Aurangabad - Paithan Road,
 Village Chittegaon, Taluka Paithan,
 Dist. Aurangabad - 431 105 (Maharashtra)

MANUFACTURING FACILITY

15 KM. Stone, Aurangabad - Paithan Road,
 Village Chittegaon, Taluka Paithan,
 Dist. Aurangabad - 431 105 (Maharashtra)

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NOTICE

Notice is hereby given that the Twenty First Annual General Meeting of the members of Value Industries Limited (Formerly: Videocon Appliances Limited) will be held on Monday, March 30, 2009 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), to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at September 30, 2008, the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in the place of Mr. Venugopal N. Dhoot, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Mr. Naveen B. Mandhana, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration and in this regard 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 and M/s. Kadam & Co., Chartered Accountants, be and are hereby appointed as Joint 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 and/or the Audit Committee of the Board of Directors."

**BY ORDER OF THE BOARD OF DIRECTORS OF
VALUE INDUSTRIES LIMITED**

Date: 26th February, 2009
Place: Mumbai

**HIREN N. SHAH
COMPANY SECRETARY**

Registered Office:

14 KM Stone, Aurangabad- Paithan Road,
Village Chittegaon, Taluka Paithan,
Aurangabad - 431 105
(Maharashtra)

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. HOWEVER, THE PROXY TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A FORM OF PROXY IS ENCLOSED HERewith FOR USE BY THE MEMBERS.**
2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. In terms of the provisions of the Articles of Association of the Company, Mr. Venugopal N. Dhoot and Mr. Naveen B. Mandhana, Directors, retire by rotation at the ensuing Annual General Meeting and, being eligible, have offered themselves for re-appointment. Brief resume of these Directors, nature of their expertise in specific functional areas, names of Companies in which they hold Directorships and chairmanship/membership of Board Committee, shareholding and relationship between directors inter-se as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges in India are mentioned hereunder and Forms Part of this Annual Report. The Board of Directors recommends the re-appointment of the aforesaid Directors.

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 for attending the Meeting.
5. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. The Register of Members and Share Transfer Books shall be closed from Tuesday, March 17, 2009 to Monday, March 30, 2009 (both days inclusive) for determining the names of Members eligible for dividend on Equity Shares. The Dividend as recommended by the Board of Directors, if declared at the Twenty First Annual General Meeting, will be paid on or around April 10, 2009 to those Members who hold shares in physical form and whose names appear on the Company's Register of Members on March 17, 2009 and in respect of shares held in electronic form, the dividend will be paid to the beneficial owners of the shares as at the close of business hours on March 16, 2009 as per the particulars of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
8. Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, the Company has transferred the unclaimed dividends for the financial year 2000-2001 to the Investor Education and Protection Fund established by the Central Government. Dividends for the financial year ended 2001-2002 and thereafter, which remain unclaimed for a period of 7 years will be transferred to Investor Education and Protection Fund (IEPF). Members who have not encashed dividend warrant(s) for the aforesaid years are requested to obtain duplicate warrant(s) by writing to the Company's Registrar and Transfer Agents, M/s. MCS Limited. Members are requested to note that upon transfer no claims shall lie against the Company or IEPF in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates they first became due for payment and no payment shall be made in respect of any such claims.
9. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send the share certificates to the Company's Registrar and Transfer Agents, M/s. MCS Limited, for consolidation into a single folio.
10. The 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). In view of the enormous advantages offered by the Depository system, Members are requested to avail the facility of dematerialization of the Company's shares on either of the depositories as aforesaid.
11. Relevant documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days, except Friday, between 10.00 A.M. to 1.00 P.M. upto the date of the Annual General Meeting.

**BY ORDER OF THE BOARD OF DIRECTORS OF
VALUE INDUSTRIES LIMITED**

Date: 26th February, 2009
Place: Mumbai

**HIREN N. SHAH
COMPANY SECRETARY**

Registered Office:

14 KM Stone, Aurangabad - Paithan Road,
Village Chittegaon, Taluka Paithan,
Aurangabad - 431 105
(Maharashtra)

BRIEF PROFILES OF THE DIRECTORS PROPOSED TO BE RE-APPOINTED (AS REQUIRED IN TERMS OF THE PROVISIONS OF THE CLAUSE 49 OF THE LISTING AGREEMENT)**A. The brief details of Mr. Venugopal N. Dhoot are as under:**

1	Name of the Director	Mr. Venugopal N. Dhoot
2	Date of Birth	30.09.1951
3	Education Qualification	Engineering Graduate
4	Date of Appointment on the Board	08.03.1988
5	Category of Director	Promoter - Non Executive
6	Area of Expertise / Senior Position Held/Work Experience	He has more than 3 decades experience in diverse fields. He is one of the Promoters of Videocon Group.
7	Names of other Directorships in Public Limited Company including subsidiaries of Public Limited Company.	<ul style="list-style-type: none"> ▪ Videocon Industries Limited ▪ Trend Electronics Limited ▪ Next Retail India Limited ▪ Videocon International Electronics Limited ▪ Uttaranchal Appliances Limited ▪ Shree Dhoot Trading and Agencies Limited ▪ Videocon Realty and Infrastructures Limited ▪ KAIL Limited ▪ Bharat Hotels Limited ▪ Rural Electrification Corporation Limited ▪ Videocon India Limited ▪ Mayur Household Electronics Appliances Private Limited ▪ Godavari Consumer Electronics Private Limited ▪ Pipavav Energy Private Limited
8	Names of committees in which Chairman	▪ KAIL Limited
9	Names of Committees in which Member	▪ Shree Dhoot Trading and Agencies Limited
10	Number of Shares held in the Company	2,365
11	Any relative on the Board of Directors of the Company and nature of relationship	Mr. Pradipkumar N. Dhoot is relative of Mr. Venugopal N Dhoot within the meaning of Section 6 (c) of the Companies Act, 1956.

B. The brief details of Mr. Naveen Mandhana are as under:

1	Name of the Director	Mr. Naveen Mandhana
2	Date of Birth	18.11.1956
3	Education Qualification	Engineering Graduate
4	Date of Appointment on the Board	08.03.1988
5	Category of Director	Independent – Non Executive
6	Area of Expertise/Senior Position Held/Work Experience	More than 3 decades experience in the fields of manufacturing, technical and marketing.
7	Names of other Directorships in Public Limited Company including subsidiaries of Public Limited Company.	<ul style="list-style-type: none"> ▪ Next Retail India Limited ▪ Videocon Semiconductor Limited ▪ Qualcon Infra Limited ▪ Videocon Display Limited ▪ Vsol Energy Limited ▪ Ram Ratna Wires Limited
8	Names of committees in which Chairman	<ul style="list-style-type: none"> ▪ Next Retail India Limited – Audit Committee ▪ Videocon Display Limited – Audit Committee
9	Names of Committees in which Member	Nil
10	Number of Shares held in the Company	Nil
11	Any relative on the Board of Directors of the Company and nature of relationship	Nil

DIRECTORS' REPORT

To,
The Shareholders,

VALUE INDUSTRIES LIMITED

(Formerly: Videocon Appliances Limited)

Your Directors are pleased to present the Twenty First Annual Report and the audited accounts for the year ended September 30, 2008.

FINANCIAL RESULTS AND OPERATIONS

The performance of the Company for the financial year ended September 30, 2008 is summarized below:

(Rs. in Million)

Particulars	Year ended 30.09.2008	Year ended 30.09.2007
Net Sales	12,446.80	12,914.83
Other Income	16.33	266.09
Total Income	12,463.13	13,180.92
Profit before Interest, Tax and Depreciation	1,475.12	1725.23
Interest & Finance charges	549.50	542.59
Depreciation	786.44	846.81
Profit before Impairment Loss and Taxation	139.18	335.83
Impairment Loss	16.31	40.06
Profit before Tax	122.87	295.77
Provision for Taxation	42.79	168.20
Profit for the Year	80.08	127.57

During the year under review, your Company posted a total income of Rs. 12,463.13 Million as against total income of Rs. 13,180.92 Million for the previous year ended September 30, 2007. The profit after tax amounted to Rs. 80.08 Million as against profit after tax of Rs. 127.57 Million for the previous year.

In order to diversify its activities and to de-risk the business model, the Company expanded its product portfolio. The Main Object Clause of the Company was altered by insertion of additional clause relating to providing, executing, implementing, hiring, working as EPC Contractors, providing turnkey services for industrial activities and manufacturing and trading of all kinds of machineries, components, engineering equipments, etc., and consequently, the name of the Company was also changed from Videocon Appliances Limited to Value Industries Limited. The above business were transacted through Postal Ballot and the result for the same was declared at the Twentieth Annual General Meeting of the Company held on March 31, 2008.

ISSUE AND ALLOTMENT OF SECURITIES

During the year under review, pursuant to the Scheme of Amalgamation of Ranjangaon Industries Private Limited, the Company allotted 61,38,359 (Sixty One Lakh Thirty Eight Thousand Three hundred Fifty Nine) Equity Shares to the shareholders of erstwhile Ranjangaon Industries Private Limited in the ratio of 1 (One) Equity Share of the Company for every 18 (Eighteen) Equity Shares held in erstwhile Ranjangaon Industries Private Limited.

DIVIDEND

Your Directors have recommended a dividend of Re. 0.50 per equity Share (Previous year Re. 0.50 per equity Share) on the equity Shares of the Company for the year ended September 30, 2008, which if approved at the ensuing Annual General Meeting by the members, will be paid to all those members, whose names appear in the Register of Members as on March 17, 2009 and to all those members whose

names appear on that date, as the Beneficial owner, as furnished by the respective depository. The dividend is free of tax in the hands of the shareholders.

TRANSFER TO RESERVE

Your Directors propose to transfer an amount of Rs. 20.00 Million to the General Reserve. After appropriations, the balance amount of Rs. 760.61 Million is proposed to be carried to Balance Sheet as Profit and Loss Account balance.

FIXED DEPOSIT

The Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956.

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the financial year, Foreign Exchange outflow amounted to Rs. 917.17 Million as against an outflow of Rs. 775.08 Million for the previous year. There was no foreign exchange earnings during the year.

CONSERVATION OF ENERGY

Your Company has given utmost importance to conservation of energy as a part of its Corporate Social Responsibility towards a better environment. The Company has taken adequate steps to conserve energy at all levels. The Company has formed an in-house team comprising of experts to regularly keep a check on the energy conservation systems applied by the Company at the work place. The various measures taken for conservation of energy are:

- Proper Ventilation at the Factory Premises and use of energy saving Lighting Systems;
- Auto Shut-off of Air conditioners and other equipments during Lunch breaks and shift change;
- Regular maintenance and replacement of worn-out Machinery for optimum performance with reduction in Power consumption;
- Bringing awareness amongst employees/workers; and
- Maintaining Power Log Register for effectively monitoring consumption of energy.

RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

In endeavour to keep pace with the changing technologies worldwide and to offer products with maximum durability at low cost, the Company pays utmost importance to Research and Development. The Company has in-house R&D Facility comprising of experts in their respective fields to help Company to stay at par with latest technologies. The Company uses R&D activity as a tool for improvement in the Company Products and improvement in consumer satisfaction. The R&D activities of the Company are focussed towards the following:

- Increasing productivity;
- Improvement in the quality of products;
- Providing technical support services;
- Reduction of costs;
- Introducing newer models with advanced features; and
- Improving the design and appearance of the products.

The Company has derived the following benefits:

- Higher Consumer satisfaction;
- Development of energy efficient Products;

- Maintain market leadership position;
- Ability to compete favourably with the foreign players in the Indian and International Markets;
- Increased Productivity; and
- Products with better features, quality and improved reliability.

The Company continues to adapt the latest advances in technology and upgrade its manufacturing base. The Company has incurred a revenue expenditure of Rs. 1.54 Million towards R&D activities, which is 0.01% of the total turnover of the Company.

INFORMATION TECHNOLOGY (IT)

The Company firmly believes that IT is the backbone of any industry in today's environment. The Company has taken it as a tool to improve the productivity, efficiency and reliability. The Company has implemented my SAP, a customized ERP Programme at its manufacturing facility.

HEALTH, SAFETY AND ENVIRONMENT

The Company also accords highest priority to Protection of Environment. The Company has effective waste management systems to prevent any hazards to the environment. The Company has taken adequate steps to prevent occurrence of any accidents. The Company has also taken measures to ensure Health and Safety of its employees and work force. The Company conducts regular medical check ups and counseling to ensure fitness of its employees.

APPOINTMENT/REAPPOINTMENT OF DIRECTORS

Mr. Venugopal N. Dhoot and Mr. Naveen B. Mandhana, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment. The Board recommends their re-appointment.

The Brief profiles of Mr. Venugopal N. Dhoot and Mr. Naveen B. Mandhana specifying their expertise in specific functional areas, other Public Companies in which they hold Directorship(s), Chairmanship/Membership held in various committees is annexed hereto and forms part of the Notice.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 217(2AA) read with Section 292A of the Companies Act, 1956, we, the Directors of VALUE INDUSTRIES LIMITED (Formerly: Videocon Appliances Limited), state in respect of Financial Year 2007-2008 that:

- in the preparation of annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts on a going concern basis;
- the Board has constituted an Audit Committee comprising of Three Independent Directors;
- the Audit Committee has also been delegated with authority for investigation and access for full information and external professional advice for discharge of the functions delegated to it by the Board;

- the Board agrees that the recommendations of the Audit Committee on any matter relating to financial and management including the audit report would be binding on the Board; and
- based on the above, the Internal Audit System and the Audit Committee, the Board opines that the Company has internal control system commensurate with the size of the Company and the nature of its business.

PARTICULARS OF EMPLOYEES

There are no employees drawing remuneration exceeding the monetary ceiling prescribed under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

SUBSIDIARY COMPANY

The Company does not have any subsidiary.

CASH FLOW STATEMENT

In conformity with the provisions of Clause 32 of the Listing Agreement with the Stock Exchanges and in accordance with Accounting Standard on Cash flow statement (AS-3) issued by the Institute of Chartered Accountants of India, the Cash Flow Statement for the year ended September 30, 2008 is annexed hereto.

AUDITORS' REPORT

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

AUDITORS

M/s. Khandelwal Jain & Co., Chartered Accountants, Mumbai and M/s. Kadam & Co., Chartered Accountants, Ahmednagar, Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. The Company has received certificates from these Auditors to the effect that their reappointment, if made, would be within prescribed limit under Section 224(1-B) of the Companies Act, 1956.

The Board recommends the re-appointment of these Auditors at the ensuing Annual General Meeting.

CORPORATE GOVERNANCE

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, Corporate Governance and Management Discussion and Analysis Report form part of this Annual Report. The Company is in full compliance with the requirements and disclosures that have to be made in this regard. The Auditors' certificate confirming compliance of the Corporate Governance is attached to the Report on Corporate Governance.

ACKNOWLEDGEMENT

The Directors would like to express their grateful appreciation for the assistance and co-operation received from the Financial Institutions, Banks and Government Authorities.

Your Directors are happy to place on record their gratitude to the employees at all levels for their commitment and dedicated efforts. The Directors are also thankful to the shareholders for their continued support to the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

N. B. MANDHANA **V. N. DHOOT**
DIRECTOR DIRECTOR

Place: Mumbai

Date : 26th February, 2009

CORPORATE GOVERNANCE REPORT

This report sets out the compliance status of the Company on Corporate Governance as set out in the Amended Clause 49 of the Listing Agreement with the Stock Exchanges.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company's philosophy on Corporate Governance is centered around maintaining highest standards of integrity, accountability, equity, commitment to highest values and ensuring transparency and fairness in all its dealings with stakeholders.

The Company is committed to good corporate governance practices that create a long term relation of trust and harmony between the Company and the stakeholders. 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 Control measures;
- 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 set out herein under:

I. BOARD OF DIRECTORS:

1. Composition of Board of Directors

The Company is in full compliance with Clause 49 of the Listing Agreement with reference to the composition of the Board of Directors. The Board of Directors of the Company is an optimal mix of Professionalism and Experience. The Board is comprised of eminent personalities having experience in the fields of Finance, Manufacturing, Marketing and

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

Sl. No.	Name of Director	Whether attended AGM held on 31.03. 2008	Attendance in Board Meetings		Other Board		
			Total	Attended	Directorship	Committee Chairmanship	Committee Membership
1	Mr. Venugopal N. Dhoot	No	9	8	14	1	1
2	Mr. Pradipkumar N. Dhoot	Yes	9	3	13	NIL	1
3	Mr. Naveen B. Mandhana	No	9	7	6	2	NIL
4	Mr. Avinash H. Malpani	No	9	6	NIL	NIL	NIL
5	Mr. Subhash S. Dayama	Yes	9	9	12	4	NIL

4. Brief Details of Directors proposed to be re-appointed:

A brief profile of each of the director, retiring by rotation and seeking re-appointment, is appended to the Notice convening the ensuing Twenty First Annual General Meeting.

II. BOARD COMMITTEES:

Currently, the board has constituted three committees i.e., Audit Committee, Shareholders/ Investors' Grievance Committee and Remuneration Committee.

1. Audit Committee:

(i) Composition (As of 30th September, 2008)

Name of the Member	Category
Mr. Subhash S. Dayama - Chairman	Independent
Mr. Avinash H. Malpani	Independent
Mr. Naveen B Mandhana	Independent

The Committee members have requisite financial and management experience and have held or hold senior positions in other reputed organizations.

(ii) Scope of Audit Committee:

The terms of reference are broadly as under:

- a) Overall assessment of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending the appointment of external auditor, fixation of audit fee and also approval for payment for any other services.
- c) Reviewing with management the annual financial statements before submission to the board, focusing primarily on:

Capital Markets. The Directors of the Company are categorized as follows:

PROMOTER – NON EXECUTIVE
VENUGOPAL N. DHOOT PRADIPKUMAR N. DHOOT
INDEPENDENT
SUBHASH S. DAYAMA AVINASH H. MALPANI NAVEEN B. MANDHANA

2. Board/Committee Meetings and Proceedings:

The Company has a well-defined process of placing vital and sufficient information before the Board pertaining to business to be considered at each Board Meeting. This enables the Members of the Board to participate more effectively in the discussions in the Meeting and the Board is in turn able to take a more informed decision based upon inputs from the Members of the Board. The Members of the Board are also updated upon various events as are required under the Listing Agreement.

The Company Secretary on the advice of the Board of Directors finalises the agenda, which is distributed to the Board Members well in advance. The Company is in substantial compliance with the Secretarial Standard I issued by The Institute of Company Secretaries of India in respect of proceedings at the Board Meeting.

3. Board Meetings and Attendance:

9 Board Meetings were held during the year 2007 – 2008 on the following dates:

31.10.2007, 28.01.2008, 09.02.2008, 25.02.2008, 17.03.2008, 31.03.2008, 30.04.2008, 08.07.2008 and 31.07.2008.

- 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.
- Major accounting entries based on exercise of judgment by management.
- The going concern assumption.
- Significant changes/amendments, if any, arising out of audit.
- Compliance with stock exchange and legal requirements concerning financial statements.
- Compliance with accounting standards.
- Changes, if any, in accounting policies and practices.
- Observations if any, in draft audit report.
- Qualification in the draft audit report.
- Any related party transactions i.e., transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of Company at large.

- d) Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- e) Reviewing the findings, if any, of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- f) Discussion with internal auditors any significant findings and follow up there on.
- g) To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- h) Discussion with external auditors before the audit commence nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.

- i) Reviewing the adequacy of internal audit function, 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.
- j) Reviewing the Company's financial and risk management policies.
- k) To review the functioning of Whistle Blower Mechanism, if any.

(iii) MEETINGS AND ATTENDANCE:

During the financial year under consideration, 5 meetings of the Committee were held on 31.10.2007, 28.01.2008, 25.02.2008, 30.04.2008 and 31.07.2008.

The Attendance by the Members of the Audit Committee during the year was as under:

Name of the Member	Meetings held during respective tenure	Meetings attended
Mr. Subhash S. Dayama - Chairman	5	5
Mr. Avinash H. Malpani	5	4
Mr. Naveen B. Mandhana	5	4

The Statutory Auditors and Head of Internal Audit attended and participated in the meetings, on invitation. The Company Secretary is the Secretary of the Committee.

2. Remuneration Committee:

(i) Composition (As of 30th September, 2008)

Name of the Member	Category
Mr. Naveen B. Mandhana - Chairman	Independent
Mr. Avinash H. Malpani	Independent
Mr. Subhash S. Dayama	Independent

(ii) Scope of Remuneration Committee:

The following matters are referred to the Remuneration Committee:

- > Fixing the remuneration payable to the Directors; and
- > Determining the remuneration policy of the Company.

(iii) Directors' Remuneration:

The non-executive/independent directors are paid only sitting fees for attending Board/Committee meetings. The details of sitting fee paid to non executive directors during the year under review are as follows:

Name of Director	Sitting fee paid (Rs)
Mr. Avinash H. Malpani	21,500
Mr. Naveen B. Mandhana	26,500
Mr. Subhash S. Dayama	27,500

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

(iv) Meetings and Attendance:

One meeting of the Committee was held on 30.04.2008 and Mr. Naveen B. Mandhana and Mr. Avinash H. Malpani attended the Meeting.

(v) Stock Options:

The Company has not issued any stock options to its Directors.

3. SHAREHOLDERS/INVESTORS' GRIEVANCE COMMITTEE:

(i) Composition (As on 30th September, 2008)

Name of the Member	Category
Mr. Avinash H. Malpani – Chairman	Independent
Mr. Pradipkumar N. Dhoot	Promoter Non - Executive
Mr. Naveen B. Mandhana	Independent

The details of Meetings held during the year and attendance by the Members is as follows:

Name of the Member	Meetings held during respective tenure	Meetings attended
Mr. Avinash H. Malpani - Chairman	4	4
Mr. Pradipkumar N. Dhoot	4	3
Mr. Naveen B. Mandhana	4	4

(ii) Scope of Shareholders/Investors grievance Committee:

The Committee administers the following activities:

- a. Transfer of Shares
- b. Transmission of shares
- c. Issue of Duplicate Share Certificates
- d. Change of Status

- e. Change of Name
- f. Transposition of Shares
- g. Sub-division of Shares
- h. Consolidation of Folios
- i. Shareholders requests for Dematerialisation/Rematerialisation of shares

The Board has delegated the power of Share Transfer to Registrar & Share Transfer agents, who process the transfers. The Committee also looks after Redressal of Investors Grievances and performance of the Registrar and Transfer Agents of the Company.

The Committee monitors violation of the code of conduct prescribed by the Company for prevention of insider trading.

(iii) Compliance Officer

Mr. Hiren N. Shah, Company Secretary is the Compliance Officer.

(iv) Share Transfer Details

The number of Shares transferred during the year under review is given below:

	Particulars	
a	Number of transfers	866
b	Average No of Transfers per month	72
c	Number of Shares Transferred	83,879

(v) Demat/Remat of Shares:

Details of Shares Dematerialised/ Rematerialised during the year under review are given below:

Particulars	
Number of Dematerialisation Transfers approved	2,540
Number of Sub-committee Meetings held	39
Number of Shares Dematerialised during the year	3,32,286
Percentage of Shares Dematerialised	0.85
Number of Re-materialisation requests approved	3
Number of Shares Re-materialised	300

(vi) Details of complaints received and redressed during the year 2007 – 2008:

Sl. No.	Particulars	Received	Redressed	Pending as on 30.09.08
1.	Non receipt of refund orders	0	0	0
2.	Non receipt of dividend/interest/ redemption warrants	56	56	0
3.	Non receipt of share certificates	63	63	0
4.	Others	20	20	0
	Total	139	139	0

III. GENERAL BODY MEETINGS

1. Details of location, time and date of last three AGMs:

AGM	AGM Date	Location	Time	No of Special Resolution Passed
18 th AGM	31.03.2006	14KM Stone, Aurangabad-Paithan Road, Village-Chittegaon, Aurangabad – 431 105	2.00 PM	Nil
19 th AGM	30.03.2007	14KM Stone, Aurangabad-Paithan Road, Village-Chittegaon, Aurangabad – 431 105	12.00 Noon	1
20 th AGM	31.03.2008	14KM Stone, Aurangabad-Paithan Road, Village-Chittegaon, Aurangabad – 431 105	11.30 AM	Nil

2. Postal Ballot:

During the year under review, following special resolutions were transacted through Postal Ballot.

- (i) To alter the "Main Objects" Clause of Memorandum of Association of the Company by inserting additional clause relating to providing, executing, implementing, hiring, working as EPC Contractors, providing turnkey services for industrial activities and manufacturing, trading of all kinds of machineries, components engineering equipments etc.,