

*22nd  
Annual Report  
2008-09*

**Value  
Industries  
Limited**

## VALUE INDUSTRIES LIMITED

### BOARD OF DIRECTORS

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

### AUDITORS

#### **KHANDELWAL JAIN & CO.**

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

#### **KADAM & CO.**

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

### BANKERS

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

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

### COMPANY SECRETARY

Deepti P. Parkar

#### 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)

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## NOTICE

**NOTICE** is hereby given that the Twenty-second Annual General Meeting of the members of **VALUE INDUSTRIES LIMITED** (the "Company") will be held on Tuesday, 30th March, 2010 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 year ended 30th September, 2009 and the Audited Balance Sheet as at that date together with the Report of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a director in place of Mr. Pradipkumar N. Dhoot who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. Avinash H. Malpani who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors, fix their remuneration and to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** M/s. Khandelwal Jain & Co., Chartered Accountants, Mumbai (Firm Registration No. 105049W) and M/s. Kadam & Co., Chartered Accountants, Ahmednagar (Firm Registration No. 104524W), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as shall be fixed by the Board of Directors of the Company."

By the order of the Board of Directors of  
**VALUE INDUSTRIES LIMITED**

**DEEPTI P. PARKAR**  
Company Secretary

Place: Mumbai

Date: 19th February, 2010

**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 SELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, 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 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. Pradipkumar N. Dhoot and Mr. Avinash H. Malpani, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment. Pursuant to Clause 49 of the Listing Agreement, a brief profile of the said directors seeking re-appointment at the meeting is annexed. The Board of Directors of your Company commends their re-appointment.

4. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their folio Number in the Attendance Slip for attending the Meeting.
5. Members are requested to bring their Attendance Slip, as enclosed, alongwith 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 shall be entitled to vote.
7. The Register of Members and Share Transfer Books shall be closed from Wednesday, 17th March, 2010 to Tuesday, 30th March, 2010 (both days inclusive) for determining the shareholders' entitlement for dividend on equity shares.
8. The dividend, as recommended by the Board of Directors, if declared at the Meeting, will be paid on or around Saturday, 10th April, 2010 to those Members who hold shares in physical form and whose names appear on the Company's Register of Members on Wednesday, 17th March, 2010. As regards shares held in electronic form, the dividend will be paid to the beneficial owners of the shares as at the close of business hours on Tuesday, 16th March, 2010 as per the particulars of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
9. 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 2000-01 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Dividends for the financial year ended 2001-02 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) for the said years are requested to obtain duplicate warrant(s) by writing to the Company's Registrar and Transfer Agent, M/s. MCS Limited. Members are requested to note that upon transfer, no claims shall lie against the Company or the IEPF in respect of any amounts which remained unclaimed and unpaid for a period of seven years from the dates they first became due for payment and no payment shall be made in respect of any such claims.
10. 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 Transfer Agent of the Company, for consolidation into a single folio.
11. The equity shares of the Company are compulsorily tradable in electronic form and your Company has established connectivity with both the depositories i.e. NSDL and CDSL. Taking into consideration the enormous advantages offered by the Depository System, Members are requested to avail the facility of dematerialization of the Company's shares on either of the depositories, as aforesaid.
12. 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.

By the order of the Board of Directors of  
**VALUE INDUSTRIES LIMITED**

**DEEPTI P. PARKAR**  
Company Secretary

Place: Mumbai

Date: 19th February, 2010

**Registered Office:**

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

VALUE INDUSTRIES LIMITED

**BRIEF PROFILE OF THE DIRECTORS PROPOSED TO BE RE-APPOINTED  
(AS REQUIRED IN TERMS OF THE PROVISIONS OF THE CLAUSE 49 OF THE LISTING AGREEMENT)**

**MR. PRADIPKUMAR N. DHOOT:**

<b>Date of Birth</b>	22nd March, 1960
<b>Education Qualification</b>	Commerce Graduate
<b>Date of Appointment on the Board</b>	22nd August, 1996
<b>Category of Director</b>	Promoter, Non-Executive
<b>Area of Expertise/ Senior Position Held /Work Experience</b>	An eminent industrialist with over two decades of diversified business experience in an array of fields viz. consumer electronics and home appliances; oil and gas etc. to his credit, Mr. Pradipkumar N. Dhoot is one of the core promoters of Videocon Group. A member of Young President Organization and Society for Information Display, he was honoured with the 'Man of Electronics' award by CETMA in the year 2005.
<b>Names of other Directorships in Public Limited Company</b>	<ul style="list-style-type: none"> <li>• Videocon Industries Limited</li> <li>• Videocon India Limited</li> <li>• Trend Electronics Limited</li> <li>• Applicomp (India) Limited</li> <li>• Unity Appliances Limited</li> <li>• Next Retail India Limited</li> <li>• Videocon Realty &amp; Infrastructures Limited</li> <li>• Techno Electronics Limited</li> <li>• Infodart Technologies India Limited</li> <li>• Videocon Power Ventures Limited</li> <li>• Videocon Semiconductor Limited</li> <li>• Videocon International Electronics Limited</li> <li>• Videocon Telecommunications Limited</li> <li>• Datacom Telecommunications Private Limited</li> </ul>
<b>Names of Committees in which a Chairman</b>	Nil
<b>Names of Committees in which a Member</b>	<p>Trend Electronics Limited (Shareholders'/Investors' Grievance Committee)</p> <p>Videocon Telecommunications Limited ♦ (Audit Committee and Shareholders'/Investors' Grievance Committee)</p> <p>Videocon International Electronics Limited (Audit Committee)</p>
<b>Number of shares held in the Company</b>	2,426

**MR. AVINASH H. MALPANI:**

<b>Date of Birth</b>	15th September, 1950
<b>Education Qualification</b>	Commerce Graduate
<b>Date of Appointment on the Board</b>	30th September, 1996
<b>Category of Director</b>	Independent, Non-Executive
<b>Area of Expertise/ Senior Position Held /Work Experience</b>	He carries with him a vast experience in diverse fields viz. consumer electronics and engineering goods.
<b>Names of other Directorships in Public Limited Company</b>	Nil
<b>Names of Committees in which a Chairman</b>	Nil
<b>Names of Committees in which a Member</b>	Nil
<b>Number of shares held in the Company</b>	9,264

## DIRECTORS' REPORT

Dear Shareholders,

## VALUE INDUSTRIES LIMITED

Your Directors are delighted to present the Twenty-second Annual Report together with the audited accounts and Auditors' Report of your Company for the year ended 30th September, 2009.

## FINANCIAL RESULTS AND OPERATIONS

The performance of the Company for the financial year ended 30th September, 2009 is summarized hereunder:

(Rs. in Million)

Particulars	Year ended 30th Sept., 2009	Year ended 30th Sept., 2008
Net Sales	12,041.78	12,446.80
Other Income	29.05	16.33
Total Income	12,070.83	12,463.13
Profit before Interest, Tax and Depreciation	1,465.01	1,475.12
Interest	588.19	549.50
Depreciation	802.07	786.44
Profit before Impairment Loss and Taxation	74.75	139.18
Impairment Loss	-	16.31
Profit before Tax	74.75	122.87
Provision for Taxation	25.34	42.79
Profit for the Year	49.41	80.08

During the first and second quarter of the financial year, the global recession and economic slow-down in India impacted the turnover and profit of your Company. Total Income of the Company during the year declined to Rs.12,070.83 million as against Rs.12,463.13 million for the previous year ended 30th September, 2008 and the profit after tax also declined to Rs. 49.41 million as against Rs. 80.08 million for the last year.

## FORFEITURE OF EQUITY SHARES

Pursuant to the provisions of the Companies Act, 1956 and the Articles of Association of the Company, the Board of Directors of your Company, at its meeting held on 31st July, 2009, approved the forfeiture of 127,684 equity shares of face value of Rs. 10/- each and cancelled the said shares. The said equity shares were allotted pursuant to the conversion of 12.5% Secured Fully Convertible Debentures of the Company and in respect of which the allotment/call money were due and unpaid.

## DIVIDEND

Your Directors have recommended a dividend of Re. 1.00 per equity share (Previous year, Paise 50 per equity share) on the equity shares of the Company for the year ended 30th September, 2009 which, if approved at the ensuing Annual General Meeting by the members, will be paid out of profits during the year. The dividend is free of tax in the hands of the shareholders.

The dividend payout, as proposed, is in accordance with the Company's policy to pay sustainable dividend besides keeping in view the Company's need for capital, its growth plans and the intent to finance such plans through internal accruals.

## TRANSFER TO RESERVE

Your Directors propose to transfer an amount of Rs. 5.00 million to the General Reserve. After appropriations, the balance amount of Rs. 763.92 million is proposed to be carried to the Balance Sheet.

## 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 year, Foreign Exchange outflow amounted to Rs. 1,077.12 million as against an outflow of Rs. 917.17 million for the previous year. There were no foreign exchange earnings during the year.

## CONSERVATION OF ENERGY

Your Company gives utmost importance to the conservation of energy as a part of its Corporate Social Responsibility towards a better environment. The Company has developed a system of reporting whereby an in-house team of expert engineers submits its findings to the top management, at scheduled intervals, for its consideration and thereafter, corrective measures, if required, are taken to ensure optimum utilisation of energy resources.

Your Company seeks to contribute to the energy conservation campaign by way of following initiatives:

- Proper ventilation at factory premises;
- Use of energy-saving lighting system;
- Auto shut-off of air conditioners and other equipments during lunch breaks and shift change;
- Regular maintenance of machinery and replacement of obsolete machinery for optimum performance with reduced power consumption; and
- Awareness Programmes for employees/workers at all levels.

## RESEARCH, DEVELOPMENT AND TECHNOLOGY ABSORPTION

Your Company realises that innovation is the key to sustained growth. Research and Development (R&D) and technology absorption are integral to the Company's innovation agenda for achieving growth, profitability and sustainability. The Directors of your Company are committed to ongoing investment in R&D as a way to differentiate its existing products while bringing innovative, high-value products to market. The R&D Team has come up with a time-bound programme to establish centres of excellence in the key technology areas critical to the Company. The R&D activities of the Company are closely focused on market needs and driven by technological progress.

The R&D activities of the Company are focussed towards:

- Increasing productivity;
- Maximising value;
- Introducing newer models with advanced features;
- Improving product quality and durability;
- Cutting down the costs; and
- Creating a high performance environment to promote innovation.

The continuous efforts of the R & D Team have been fruitful in the form of:

- Raised standards of quality;
- Higher consumer satisfaction;
- Reduced power consumption;
- Ability to compete favourably with the foreign players in the Indian and International Markets; and
- Development of energy efficient products.

During the year, R&D expenditure amounted to Rs. 2.19 million representing 0.02% of the turnover.

## INFORMATION TECHNOLOGY

The pivotal role played by Information Technology in delivering better value to the customers and maintaining the position of an organization in a fiercely competitive scenario is undisputed. Today's sophisticated business organizations look to Information Technology to provide them with a sustainable competitive advantage.

Your Company, too, considers Information Technology as a tool to improve productivity, efficiency and reliability and has, accordingly, re-engineered its processes by leveraging Information Technology with an eye to building, sustaining and expanding its competitive edge. Implementation of mySAP, a customized ERP Programme, at manufacturing facility, reflects the Company's inclination towards use of sophisticated technological solutions in its day-to-day activities.

## HEALTH, SAFETY AND ENVIRONMENT

Your Company, being a good corporate citizen, assumes its business and ethical responsibility to create a safe and healthy workplace for its employees and is equally dedicated towards a sustainable plant.

Safety of all persons and the pursuit to achieve world-class level of operational excellence in safety continues to be the major focus area of your Company.

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Your Company recognizes that employee well-being and satisfaction contributes significantly to its productivity and firmly believes that comprehensive management system provides a sustainable basis for the whole organization. It increases employee motivation and satisfaction, strengthens the brand image and lowers long-term costs. Your Company takes very seriously, the processes and control systems needed to ensure the safety of its employees and contractors.

The Company has introduced various eco-friendly initiatives to prevent environmental hazard, some of them being effective waste management system, tree plantation camps, pollution check-up camps and environment awareness camps.

**RE-APPOINTMENT OF DIRECTORS**

Pursuant to the provisions of the Companies Act, 1956 and in terms of the Articles of Association of the Company, Mr. Pradipkumar N. Dhoot and Mr. Avinash H. Malpani, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

The Board recommends re-appointment of Mr. Pradipkumar N. Dhoot and Mr. Avinash H. Malpani.

A brief profile of the Directors proposed to be re-appointed forms part of notice of the ensuing Annual General Meeting.

**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 your Company's financial condition and results of operations.

Your Directors confirm that:

- in the preparation of the Annual Accounts, applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- the accounting policies selected have been applied consistently and judgements and estimates are made that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at September 30, 2009 and of the profit of your Company for the year ended on that date;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting frauds and other irregularities; and
- the Annual Accounts of your Company have been prepared on a going concern basis.

**PARTICULARS OF EMPLOYEES**

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is annexed to this Report and form part thereof.

**SUBSIDIARY COMPANIES**

The Company does not have any subsidiary.

**CASH FLOW STATEMENT**

The Cash Flow Statement for the year ended 30th September, 2009, in conformity with the provisions of Clause 32 of the Listing Agreement with the Stock Exchanges in India, is annexed hereto.

**AUDITORS' REPORT**

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

**AUDITORS**

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

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

**MANAGEMENT DISCUSSION AND ANALYSIS**

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

**CORPORATE GOVERNANCE**

Corporate Governance is a reflection of an organisation's business culture, values, policies and bond with stakeholders. Your Company has constantly strived to benchmark its Corporate Governance practices with the best in the world. Your Directors re-affirm their continued commitment to good Corporate Governance practices.

A separate section on Corporate Governance together with a certificate from your Company's Statutory Auditors forms a part of this Annual Report.

**APPRECIATION**

Your Directors place on record their appreciation to the continued support extended by the Company's clients, business associates, suppliers, vendors, bankers and investors during the year. Your Directors also place on record their appreciation to the dedication and contributions made by employees at all levels who, through their competence, hard work and support, have enabled the Company to achieve growth and improved performance. Your Directors look forward to their continued support in the future as well.

Your Directors are also thankful to the shareholder for their continued support to the Company.

For and on behalf of the Board of Directors

**V. N. DHOOT**  
Director

**N. B. MANDHANA**  
Director

Place : Mumbai  
Date : 19th February, 2010

**ANNEXURE TO THE DIRECTORS' REPORT****STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 30TH SEPTEMBER, 2009**

Name of the Employee	Designation	Remuneration (Rs.)	Qualification	Age (Years)	Experience (Years)	Date of Commencement	Name of Last Employer	Position Held
Mr. M. P. Bhosale	General Manager	3,291,642/-	Diploma in Tools & Die-making	45	23	28th September, 2006	LG Electronics Limited	Assistant General Manager

- Remuneration includes Basic Salary, Ex-Gratia, HRA, Marketing Allowance, Special Allowance, C. A., L.T.A., Leave Encashment, Medical Reimbursement, Contribution to Provident Fund.
- The Employee is in whole-time employment of the Company and the employment is contractual in nature.
- The Employee is not a relative of any of the Directors of the Company.

Place : Mumbai  
Date : 19th February, 2010

## 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

Corporate Governance is all about upholding the highest standards of integrity, transparency and accountability. Your Company seeks to blend growth and efficiency with governance and ethics and firmly believes that Corporate Governance goes beyond mere financial measurement of the performance of the Company taking into consideration a basket of parameters such as employee satisfaction, shareholder satisfaction, commitment to quality etc. It rests upon strong foundations of transparency, disclosure, fairness, monitoring and review. Sound corporate governance principles applied consistently to all areas of operations ensures that its values viz. integrity, commitment, passion, seamlessness and speed are leveraged to maximise value for all its 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 detailed hereunder:

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

Sr. No.	Name of Director	Whether attended AGM held on 30th March, 2009	Attendance in Board Meetings	Other Board		
				Directorship@	Committee Chairmanship#	Committee Membership#
1.	Mr. Venugopal N. Dhoot	Yes	11	14	01	01
2.	Mr. Pradipkumar N. Dhoot	No	05	14	-	03
3.	Mr. Naveen B. Mandhana	No	06	06	02	-
4.	Mr. Avinash H. Malpani	No	06	-	-	-
5.	Mr. Subhash S. Dayama	Yes	11	14	4	1

#### Notes:

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

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

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

#### Brief details of the Directors proposed to be re-appointed:

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

### BOARD COMMITTEES

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

#### Audit Committee

##### Composition as on 30th September, 2009:

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.

### BOARD OF DIRECTORS

#### Composition as on 30th September, 2009:

The Board of your Company comprises of 5 Directors, being eminent persons, having experience in diverse fields viz. Finance, Manufacturing, Marketing and Capital Markets. The Directors of the Company are categorized as under:

Promoter Non-Executive	Independent
Mr. Venugopal N. Dhoot Mr. Pradipkumar N. Dhoot	Mr. Naveen B. Mandhana Mr. Subhash S. Dayama Mr. Avinash H. Malpani

#### 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 so as to enable the Members of the Board to participate in the discussion and discharge its responsibilities effectively.

The Company Secretary, in consultation with the Board of Directors, finalizes the agenda of the Board and Committee Meetings, which is distributed to the Board/ Committee 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.

#### Meetings and Attendance:

The Board met twelve times during the year on the following dates: 27th October, 2008; 5th January, 2009; 31st January, 2009; 26th February, 2009; 23rd March, 2009; 24th April, 2009; 29th April, 2009; 18th May, 2009; 20th July, 2009; 31st July, 2009; 10th August, 2009; and 25th September, 2009. The maximum time-gap between any two meetings was not more than four calendar months.

#### Scope:

The terms of reference of the Committee are broadly as under:

- Overall assessment of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment of external auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the board, focusing primarily on:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
  - Major accounting entries based on exercise of judgement 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.

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- 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) Discussions with external auditors before the audit commences, the 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.

**Meetings and Attendance:**

The Committee met five times during the year under review on the following dates. 27th October, 2008; 31st January, 2009; 26th February, 2009; 29th April, 2009; and 31st July, 2009. Details of the meetings attended (including participation through audio conferencing) by the Members are as under:

Name of the Member	Meetings attended
Mr. Subhash S. Dayama	05
Mr. Avinash H. Malpani	03
Mr. Naveen Mandhana	04

The constitution of the Committee meets with the requirements of Section 292A of the Companies Act, 1956. The Statutory Auditors, Cost Auditors and Head of Internal Audit attended and participated in the meetings, on invitation. The Company Secretary is the Secretary of the Committee.

**Remuneration Committee****Composition as on 30th September, 2009:**

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

**Scope:**

The following matters are referred to the Committee:

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

**Directors' Remuneration:**

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

Name of the Member	Sitting fees paid (Rs.)
Mr. Naveen B. Mandhana	22,000
Mr. Avinash H. Malpani	23,000
Mr. Subhash S. Dayama	33,500

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

**Meetings and Attendance:**

The Committee met once during the year on 29th April, 2009. Particulars of attendance at the said meeting are as under:

Name of the Member	Meetings attended
Mr. Naveen B. Mandhana	00
Mr. Avinash H. Malpani	01
Mr. Subhash S. Dayama	01

**Stock Options:**

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

**Shareholders'/Investors' Grievance Committee****Composition as on 30th September, 2009:**

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

During the financial year under review, the Committee met four times on the following dates: 27th October, 2008; 2nd February, 2009; 3rd May, 2009; and 3rd August, 2009. Details of the meetings attended by the Members are as under:

Name of the Member	Meetings attended
Mr. Avinash H. Malpani	04
Mr. Naveen B. Mandhana	03
Mr. Pradipkumar N. Dhoot	03

**Scope:**

The Committee administers the following activities:

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

The power of share transfer has been delegated to M/s. MCS Limited, Registrar and Share Transfer Agent of the Company, who processes the transfers. The Committee also looks after redressal of investors' grievances and performance of the Registrar and Share Transfer Agent of the Company.

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

**Compliance Officer:**

Ms. Deepti P. Parkar, Company Secretary, is the Compliance Officer.

**Details of Share Transfer/ Demat/ Remat:**

During the year under review, 47 Sub-Committee meetings were held and transfer, dematerialization and rematerialisation requests received from the shareholders were received and approved, particulars of which are as under:

Number of transfers	178
Number of shares transferred	21,210
Average number of transfers per month	15
Number of demat requests approved	584
Number of shares dematerialised	80,575
Percentage of shares dematerialized	0.21
Number of remat requests approved	01
Number of shares rematerialized	25