

18th

Annual Report
2002 - 2003

CALCOM VISION LTD.

CALCOM VISION LIMITED

BOARD OF DIRECTORS

Shri S.K. Malik	-	Chairman & Managing Director
Shri Aijaz Ghaffar	-	Whole Time Director & Vice Chairman
Shri M.K. Venkatachalam		
Shri C.S. Aggarwal		
Shri S.K. Bhattacharya		
Shri Hamidulla Khan		
Shri Vivek Narang		

AUDITORS

M/s S. Prashad & Co.
Chartered Accountants
New Delhi

BANKERS

State Bank of Patiala
Canara Bank
Bank of India

REGISTERED OFFICE

A-57/1, Okhla Industrial Area, Phase-II
New Delhi - 110 020

WORKS

B-16, Surajpur Industrial Area
Site-C, Gautam Budh Nagar (U.P.)

E-133, Mohali Industrial Area,
Phase-VII, Mohali (Punjab)

REGISTRAR & TRANSFER AGENTS

Intime Spectrum Share Registry Ltd.
A-31, 3rd Floor,
Naraina Industrial Area
Phase-I, Near PVR Naraina, New Delhi-110028

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NOTICE

Notice is hereby given that the EIGHTEENTH ANNUAL GENERAL MEETING of the members of CALCOM VISION LIMITED will be held on Tuesday, the 30th day of September, 2003 at A-57/1, Okhla Industrial Area, Phase-II, New Delhi-110020 at 9.00 A.M. to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2003 and Profit and Loss Account for the year ended on that date together with reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. C.S. Aggarwal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Mr. M.K. Venkatachalam, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint statutory auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS

5. To consider, and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr Vivek Narang who was appointed as an Additional Director by the Board of Directors w.e.f. 1st February, 2003, under Section 260 of the Companies Act, 1956 and Article 118 of the Articles of Association of the Company and in respect of whom the Company has received a notice from a member under section 257 of the Companies Act, 1956 proposing the candidature of Mr. Vivek Narang for the office of the Director be and is hereby appointed as Director of the Company liable to retire by rotation."

6. To consider, and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Pursuant to the provisions of Sections 198, 269, 309 and 310 and all other applicable provisions, if any, of the Companies Act, 1956, read with schedule XIII to the said Act and subject to other applicable approval, if any, Shri Aijaz Ghaffar be and is hereby appointed as Whole Time Director & Vice Chairman of the Company for a period 5 years with effect from 5th May, 2003 on the terms & conditions as to the remuneration and perquisites as mentioned below:

REMUNERATION**(a) Salary**

Rs. 30,000 per month in the scale of Rs.25,000 - Rs. 60,000 per month with annual increments as to be decided by the Board of Directors from time to time.

(b) Commission

The Whole Time Director & Vice Chairman shall be entitled to such percentage of commission on profits computed in accordance with The Companies Act, 1956 as decided by the Board of Directors from time to time.

(c) Perquisites

The Whole Time Director & Vice Chairman shall be entitled to perquisites including house rent allowance equivalent to 50% of basic salary; Gas, Electricity, Water and Furnishings or reimbursements in lieu thereof, Medical Reimbursement and Leave Travel Concession for self and family, Club Fees, Premium on Medical and Personal Accident Insurance etc., as per rules of the Company. The total of such perquisites being restricted to twice of annual salary and shall be evaluated as per Income tax Rules, wherever applicable and in absence of any such rule perquisites shall be evaluated at actual cost.

OTHER PAYMENTS AND PROVISIONS**(i) Contribution to Superannuation Fund and Provident Fund.**

Contribution towards Provident Fund, Pension/Super-annuation Fund shall not exceed the limits as laid down in the Income Tax Rules, 1962 and shall not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act.

(ii) Gratuity

Gratuity shall be payable as per Gratuity Act, 1972.

(iii) Car

Provision of Chauffeur Driven car for use on Company's business shall not be considered as a perquisite.

(iv) Telephone

Provision of telephone at residence will not be considered as a perquisite but personal long distance calls shall be billed by the Company.

(v) Entertainment Expenses

Reimbursement of entertainment expenses actually and properly incurred for the business of the Company not to be considered as perquisite.

(vi) Office at Residence

An office at residence of the Director shall be maintained at the company's cost to facilitate the working of the Company.

Minimum Remuneration

In the event of loss, absence or inadequacy of profits in any financial year during the tenure of Shri Aijaz Ghaffar, the remuneration aforesaid shall be the minimum remuneration payable to him. However, any excess over the limits on minimum remuneration prescribed under The Companies Act, 1956, shall become payable to Mr. Aijaz Ghaffar with the approval of the Central Government, if so required.

Shri Aijaz Ghaffar will not be entitled to sitting fees for attending meetings of the Board or Committees thereof.

7. To consider, and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Pursuant to the provisions of Sections 198, 269, 309 and 310 and all other applicable provisions, if any, of the Companies Act, 1956, read with schedule XIII to the said Act and subject to other applicable approval, if any, Shri S.K. Malik be and is hereby appointed as Chairman & Managing Director of the Company for a period 5 years with effect from 31st July, 2003 on the terms & conditions as to the remuneration and perquisites as mentioned below:

REMUNERATION**(a) Salary**

Rs. 30,000 per month in the scale of Rs.25,000 - Rs.60,000 per month with annual increments as to be decided by the Board of Directors from time to time.

(b) Commission

The Chairman & Managing Director shall be entitled to such percentage of commission on profits computed in accordance with The Companies Act, 1956 as decided by the Board of Directors from time to time.

(c) Perquisites

The Chairman & Managing Director shall be entitled to perquisites including house rent allowance equivalent to 50% of basic salary; Gas, Electricity, Water and Furnishings or reimbursements in lieu thereof. Medical Reimbursement and Leave Travel Concession for self and family, Club Fees, Premium on Medical and Personal Accident Insurance etc., as per rules of the Company. The total of such perquisites being restricted to twice of annual salary and shall be evaluated as per Income tax Rules, wherever applicable and in absence of any such rule perquisites shall be evaluated at actual cost.

OTHER PAYMENTS AND PROVISIONS

(i) Contribution to Superannuation Fund and Provident Fund.

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(v) Entertainment Expenses

Reimbursement of entertainment expenses actually and properly incurred for the business of the Company not to be considered as perquisite.

(vi) Office at Residence

An office at residence of the Director shall be maintained at the company's cost to facilitate the working of the Company.

Minimum Remuneration

In the event of loss, absence or inadequacy of profits in any financial year during the tenure of Shri S.K. Malik, the remuneration aforesaid shall be the minimum remuneration payable to him. However, any excess over the limits on minimum remuneration prescribed under The Companies Act, 1956, shall become payable to Mr. S.K. Malik with the approval of the Central Government, if so required.

Shri S.K. Malik will not be entitled to sitting fees for attending meetings of the Board or Committees thereof.

DATE : July 31, 2003

REGISTERED OFFICE

A-57/1, Okhla Industrial Area Phase - II,
New Delhi - 110 020

By order of the Board
for CALCOM VISION LIMITED

SANDEEP PATHAK
COMPANY SECRETARY

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM SHOULD BE LODGED WITH COMPANY AT ITS REGISTERED OFFICE AT LEAST 48 HOURS BEFORE THE TIME OF THE MEETING.**
2. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 in respect of item 5 to 7 is annexed hereto.
3. The Share Transfer Books and Register of Members of the Company shall remain closed from 24th September, 2003 to 30th September, 2003 (both days inclusive).
4. Members are requested to notify to the Company immediately any change in their address, if any, alongwith the PIN CODE.
5. The Company has to transfer the unpaid/unclaimed dividend for the financial year ended 31st March, 1996 to the Investor Education and Protection Fund of the Central Government on or before 8th November, 2003. Shareholders who have not encashed the dividend(s) for the financial year ended 1998 are requested to make their claim to the Secretarial Department, A-57/1, Okhla Industrial Area, Phase-II, New Delhi-110020. It may also noted that once the unclaimed dividend is transferred to the Central Government as above, no claim lie in respect thereof.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item No. 5

Mr. Vivek Narang was appointed as an Additional Director by the Board of Directors with effect from 1st February, 2003. In terms of Section 260 of the Companies Act, 1956, he holds office as Director only upto the date of the ensuing Annual General Meeting. As required by Section 257 of the Companies Act, 1956 a notice in writing has been received from a shareholder signifying his intention to propose his candidature for the office of Director.

Mr. Vivek Narang was earlier acting as Joint Managing Director of the company. He resigned from the directorship of the company w.e.f. 31.12.2002. But keeping in view, his rich experience & expertise in field of finance & other areas, board proposed his appointment as non executive director.

None of the Directors of the Company except Mr. Vivek Narang is concerned or interested in the resolution.

Item No.6

Mr. Aijaz Ghaffar was appointed as Managing Director w.e.f. 04.03.2000 & his term expired on 04.05.2003. Keeping in view, his rich experience & expertise, board recommended his appointment as Whole time Director & Vice Chairman for a further period of 5 years w.e.f. 05.05.2003, subject to approval of members.

The Terms and conditions of appointment are as mentioned in the Agenda item of the Notice. An Agreement has also been entered into between the Company and Mr. Aijaz Ghaffar in this regard. The remuneration is in accordance with Schedule XIII, Part II of the Companies Act, 1956.

In terms of Articles 154 of the Articles of Association of the Company, Members' approval by passing Ordinary Resolution for appointment and payment of remuneration to the Director is required. Hence the Board recommends the resolution under item no.6 of the Notice for the approval of Members at this Meeting.

None of the Directors of the Company except Mr. Aijaz Ghaffar is concerned or interested in the resolution.

Item No.7

Mr. S.K. Malik was appointed as Chairman & Managing Director w.e.f. 31.07.2003. Earlier he was acting as Chairman, but consequent upon resignation of Mr. Aijaz Ghaffar from the post of Managing Director & keeping in view professional skills &

capabilities of Mr. S.K. Malik, the Board proposed his appointment as Chairman & Managing Director.

The Terms and conditions of appointment are as mentioned in the Agenda item of the Notice. An Agreement has also been entered into between the Company and Mr. S.K. Malik in this regard. The remuneration is in accordance with Schedule XIII, Part II of the Companies Act, 1956.

In terms of Articles 154 of the Articles of Association of the Company, Members' approval by passing Ordinary Resolution for appointment and payment of remuneration to the Director is required. Hence the Board recommends the resolution under item no.7 of the Notice for the approval of Members at this Meeting.

None of the Directors of the Company except Mr. S.K. Malik is concerned or interested in the resolution.

Details of the Directors seeking appointment / re-appointment in forthcoming Annual General Meeting

(Pursuant to Clause 49 of the Listing Agreement)

Name of Director	Sh. Vivek Narang	Sh. Aijaz Ghaffar	Sh. S.K. Malik	Sh. M.K. Venkatachalam	Sh. C.S. Aggarwal
Date of Birth	10th June, 1963	4th May, 1943	9th Sept., 1949	19th August, 1921	3rd January, 1939
Date of Appointment	1st February, 2003	5th May, 2003	31st July, 2003	15th November, 1989	15th November, 1989
Expertise in specific functional areas	Accounts & Finance	Technical	Marketing & Technical	Finance	Advocate & Tax Consultant
Qualifications	B.Com(H) F.C.A	M.Sc. (Tech.)	B.E.(Electronics & Telecomm.). M.B.A.	M.A.	B.A., LL.B.
List of Companies in which outside Directorship held as on 31st March, 2003.	--	Calcom Electronics Limited	Calcom Electronics Limited	Goeix Michio Sudo Ltd.	--
Chairman / Member of the Committees of the Board of the Companies on which he is a Director as on 31st March 2003.	--	Calcom Vision Limited	Calcom Vision Limited	Calcom Vision Limited	--

By order of the Board
for CALCOM VISION LIMITED

DATE : July 31, 2003
REGISTERED OFFICE
A-57/1, Okhla Industrial Area
Phase - II, New Delhi - 110 020

SANDEEP PATHAK
COMPANY SECRETARY

DIRECTORS' REPORT

Dear Shareholders,

Your Directors take pleasure in presenting the Eighteenth Annual Report on the operations of your Company together with Annual Audited Accounts for the year ended 31st March, 2003.

FINANCIAL RESULTS

	Current Year	(Rs. in Lacs) Previous Year
Sales	6298.05	9465.18
Profit before Financial Charges & Depreciation	106.02	357.39
Less : Financial Charges	314.27	302.43
Less : Depreciation	167.92	154.74
Profit/(Loss) Before tax	(376.17)	(99.78)
Provision for Tax :		
- Current Tax	--	--
- Deferred Tax	--	36.67
Profit/(Loss) after tax	(376.17)	(63.11)
Add : Brought forward Profit/(Loss)	(420.83)	(356.72)
Less : Income Tax adjustment/ Prior period Adjustment	--	1.00
Balance Carried to Balance Sheet	(797.00)	(420.83)

OPERATIONS

The turnover of your Company for the year 2002-03 was Rs.6298 lakhs as against Rs.9465 lakhs for the previous year, a fall of 34%. One of the major customers of the company i.e. Philips exited the Black & white television business resulting in a substantial loss of business. Also, another major customer i.e. BPL had ran into financial problems because of which company was compelled to suspend supplies to them. The impact of above was a drop of approx. 80% in sale of Black & white Television sets. Also, the sale of Colour Television dropped because of Sales Tax Exemption at Ghaziabad unit coming down from 75% to 50 %. All this had severe impact on the company's turnover and profitability.

DIVIDEND

Your directors regret their inability to propose any dividend in view of the loss for the year under review.

CURRENT YEAR'S PERFORMANCE

Your company has started negotiations with one of its large customers for restarting purchases and also with new customers and the signs are encouraging. The company has been making vigorous efforts for increasing its exports of CTV and there are encouraging response from overseas customers/potential customers. However, exports normally have longer gestation period. The domestic market is likely to grow by 10% with a good monsoon. Your company is making all out effort to cut costs, so that performance can be improved.

RESEARCH & DEVELOPMENT CENTRE

The Research and Development Centre of your Company has been providing useful support towards developing of new products, improving quality of existing products and re-engineering the products from the cost reduction point of view. This is going to be very useful in company's endeavours in exports.

During the year under review R&D Department developed many new models of Colour Televisions for European, Middle East & CIS Markets, which is the main focus of your company.

STOCK EXCHANGE LISTING

Presently the Company's equity shares are listed on the following Stock Exchanges in India: -

The Stock Exchange, Mumbai
The Delhi Stock Exchange Association Limited

The shares of the company were, till last year, listed on The Ahmedabad Stock Exchange Limited also, but are under process of delisting, which is expected to be completed shortly.

The Company confirms that it has paid Annual Listing fees due to the above Stock Exchanges for the year 2003-2004.

CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

The detailed information as required Under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in report of the Board of Directors) Rules 1988, is enclosed as per Annexure-I.

DIRECTORS

Shri Shri C.S. Aggarwal and Shri M.K. Venkatachalam will retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Shri Kersi H. Vachha resigned from the Board. The Board places on record its sincere thanks for the guidance & advice given by him during his tenure as director. Shri Vivek Narang resigned from the Board but he was later appointed as Additional Director during the year. Shri Aijaz Ghaffar's term as Managing Director expired on 04.05.2003, and he was appointed as Whole Time Director & Vice Chairman w.e.f. 05.05.2003 and Shri S.K. Malik was appointed as Chairman & Managing Director w.e.f. 31st July, 2003 by the Board.

DIRECTORS RESPONSIBILITY STATEMENT

In pursuance of Section 217(2AA) of the Companies act, 1956, the Directors would like to assure the Members that the financial statements for the year under review, confirm in their entirety to the requirements of the Companies Act, 1956.

The Directors confirm:

1. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. that the directors had selected such accounting policies and applied them consistently and made judgements 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 2003 and of the profit or loss of the company for that period;
3. that the directors had 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;
4. that the directors had prepared the Annual Accounts on a going concern basis.

MANAGEMENT DISCUSSION AND ANALYSIS

A report in the form of Management Discussion and Analysis pursuant to clause 49 of the listing agreement, as a part of this report is annexed hereto as Annexure - II.

CORPORATE GOVERNANCE

In compliance with the clause 49 of the Listing Agreement with the Stock Exchange(s), the Board had constituted / reconstituted the following Committees last year:

1. Audit Committee
2. Shareholders Grievance Committee

These Committees met regularly during the year & assisted the Board in fulfilling the responsibilities towards Shareholders relating to Corporate Governance. A detailed Corporate Governance Report is annexed as Annexure III.

The Auditors' Certificate of compliance with the requirements of Corporate Governance is attached to the report on Corporate Governance.

REFERENCE TO BIFR

The company has become sick under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985, making it necessary to make a reference to Board for Industrial & Financial Reconstruction (BIFR) under section 15 of said Act.

AUDITORS' OBSERVATIONS

The Auditors in their report have invited attention on Point No. 8 & 9 of Notes on Accounts -Schedule N (Part B) .The notes are self-explanatory . However directors would like to inform you that

- (a) **Reg. Short provision for penal interest payable to ICICI Bank , the directors are of view that the rate of interest charged is very high. The company has disputed the matter & hopeful of getting interest rate reduced. So, no provision has been made for excess interest demanded.**
- (b) **Reg. Debts outstanding for more than 6 months, management is trying its best to recover the debtors in full , so no provision has been made.**

AUDITORS

M/s. S. Prashad & Co., Chartered Accountants, the Statutory Auditors of the Company, retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

FIXED DEPOSITS

The total deposits of the Company as on 31st March 2003 were Rs. 55.76 lacs. The interest accrued but not due on Cumulative Fixed deposits as on that date amounted to Rs.2.85 lacs.

PERSONNEL

The employee relations in your company continues to be excellent. Employee participation in various improvement programs initiated by the company is encouraging.

PARTICULARS OF EMPLOYEES

Provisions of section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 are not applicable since there are no employees drawing remuneration exceeding limits prescribed therein.

ACKNOWLEDGEMENT

Your Directors are grateful to the various Government Authorities, Financial Institutions and Banks, Business Constituents and Shareholders for their continued co-operation and support to the Company.

Your Directors also express their deep appreciation of the devoted and unstinted services tendered by workers, staff and executive at all levels.

for and on behalf of the
Board of Directors

Registered office :
A-57/1, Okhla Industrial Area,
Phase-II, New Delhi - 110 020
Date : July 31, 2003

S.K. MALIK
CHAIRMAN & MANAGING DIRECTOR