

VISION CORPORATION LIMITED

11th Annual Report

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For the year ended
2005-06

VISION CORPORATION LIMITED

BOARD OF DIRECTORS

Shri A. K. Mishra	Chairman
Shri Gautam M. Shah	Managing Director
Shri Kishore Deshpande	Director
Shri Chandrasekhar Ogale	Director
Shri Pehlaj Nihalani	Director
Shri G.K. Mishra	Director
Shri Rajan Desai	Director
Shri Shamal Basu	Whole Time Director

Auditors

M/S NAVIN CHOUDHARY & ASSOCIATES

Chartered Accountant

Bankers

HDFC Bank

Registered Office

Ground Floor, Kalpatru Chambers, Nanik Motwani Marg,
Opp. HDFC Bank, Fort, Mumbai- 400 023

Head office

150, Kalash, S.V.P. Nagar, Versova,
Andheri (W), Mumbai – 400 053

REGISTRAR AND TRANSFER AGENT

Adroit Corporate Services Pvt. Ltd.
19, Jafarbhoy Industrial Estate,
Makwana Road, Marol Naka,
Andheri (East) Mumbai – 400 059.

Members are requested to avail the facility of keeping their shares in Demat form as the Company's shares have been admitted in NSDL and CDSL. The ISIN allotted to Co. is INE661D01015

VISION CORPORATION LIMITED

NOTICE

NOTICE is hereby given that the 11th ANNUAL GENERAL MEETING of the members of VISION CORPORATION LTD., will be held on, Thursday, 1st June 2006 at 10.30 a.m. at the Registered Office of the Company at Kalptaru Chambers, Gr. Floor, Nanik Motwanii Road, Opp. HDFC Bank, Fort, Mumbai 400 023 To transact the following business: -

ORDINARY BUSINESS:

1. To receive and adopt the Directors' Report and Profit and Loss Account for the year ended 31st March 2006 and the Balance Sheet as at that date with the notes and schedules along with the Auditors Report and the Directors' Report thereon.
2. To appoint a Director in place of Mr. A. K. Mishra, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. Pehlaj Nihalani, who retires by rotation and is eligible for re-appointment.
4. To appoint Navin Choudhary & Associates, Chartered Accountants, Mumbai as Statutory Auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting to the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors of the Company.

SPECIAL BUSINESS

5. To consider and if thought fit to pass the following resolution with or without modification as an ordinary resolution for the appointment of Mr. Rajan Desai:

"RESOLVED THAT Mr. Rajan Desai be and is hereby appointed as a Director of the company."

6. To consider and if thought fit to pass the following resolution with or without modification as an ordinary resolution for the appointment of Mr. G.K. Mishra:

"RESOLVED THAT Mr. G.K. Mishra be and is hereby appointed as a Director of the company."

Regd. Office
Kalptaru Chambers, Gr Floor
Nanik Motwani Marg
Fort, Mumbai 23

Date : 1st May 2006

By the order of the Board,



NOTES:

1. An Explanatory Statement pursuant to Section 173 (2) of the Companies Act 1956 is annexed hereto.
2. **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. The instrument of proxy should, however, be deposited at the Registered Office of the Company not less than Forty-Eight hours before the commencement of the meeting.**
3. The register of members and Share Transfer Register of the Company shall remain closed from 29th May 2006 to 1st June 2006 (both days inclusive)

VISION CORPORATION LIMITED

EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956.

Item 5 & 6: The board of directors of the company in its meeting held on 8th December 2005 appointed Mr. Rajan Desai and Mr. G.K. Mishra as additional directors. They hold office till the ensuing annual general meeting. The company has received notices under section 257 of the Companies Act from Members along with the requisite fees to propose the names of Mr. Ogale and Mr. Nihalani for directorship of the company. The directors commend the resolutions for your approval.

Mr. Rajan Desai, is having tremendous experience of Various Industries. Your directors believe that his appointment as a Director would be in the best interest of the Company.

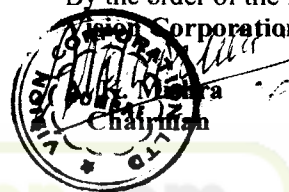
Mr. G. K. Mishra, is an expert on the corporate matters and various other issues concerning industries. Your directors believe that his appointment as a Director would be in the best interest of the Company.

With induction of Mr. Rajan Desai and Mr. G. K. Mishra, We are marching towards achieving high standards of professionalism and landmark position in Media Industries, Bollywood and in International market.

None of the directors other than Mr. Rajan Desai and Mr. G. K. Mishra respectively are individually concerned or deemed to be interested in the proposed resolutions.

Regd. Office
Kalptaru, Gr. Floor
Nanik Motwani Marg
Fort Mumbai-400023
Date : 1st May 2006

By the order of the Board,
Rajan Desai
Chairman



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VISION CORPORATION LIMITED

DIRECTORS' REPORT The Members of Vision Corporation Limited

Your directors present herewith the Tenth Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2006.

FINANCIAL RESULTS

	2005 – 06	2004-05
	(in Rs.)	(in Rs.)
Total Income	1,56,84,912	44,06,243
Total Expenditure	1,51,03,749	38,22,230
Profit / (Loss) before Depreciation	5,81,163	5,84,013
Less: Depreciation	3,92,027	28,697
Net profit before Tax	1,89,136	5,55,316
Less: Provision for Tax	1,00,000	10,000
Net Profit	89,136	5,45,316
Profit / (Loss) brought forward from previous year	(1,32,461)	(4,12,855)
Balance carried to Balance Sheet	2,21,597	(1,32,461)

OPERATIONS :

You company is already in the business of media and related products. As you are aware your Company has already started producing T.V. Serials and Film.

MANAGEMENT DISCUSSION AND ANALYSIS INDUSTRY STRUCTURE AND DEVELOPMENT

The Company is mainly focusing on Outdoor Advertising and Media segment. The Media industries are growing at a stable growth rate of 25% percent per annum since last few years.

OPPORTUNITIES AND RISKS:

Being a new player in Media and Outdoor Advertising segments, however there are so many opportunities available to growth. The management has entered in to Media Business like T.V. Serial in regional language and bilingual (Hindi and other Language) Films. There are tremendous opportunities available with such noble ideas to maintain regular profits. The biggest threat would be in terms of competition from existing players and increased numbers of established corporate presence to serve in both segments.

OUTLOOK:

The current environment offers growth opportunities to Companies like yours with strength of standards of creativity and quality and strong marketing fundamentals.

Your Directors are confident that in the intensifying competitive scenario your company is equipped in all facets of producing T. V. Serials and Films, marketing and selling to meet and beat the best in the business. An extremely aggressive program of new TV Software to be launched backed by best technicians and actors and actress and media presence will enable your company to progressively dominate the Indian media industry.

FINANCE:

So far the Company has not taken any finance from Bank or FI or from the markets through debt instruments. Currently the Company is having enough funds to complete their projects.

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DEMATERIALIZATION:

The equity shares of your Company are being compulsorily traded in dematerialization form. The ISIN No. is INE661D01015. Nearly 62.49% of the equity shares have been dematerialized and 433 shareholders are holding shares in the dematerialized form.

DIRECTORS:

During the year under review, Mr. Rajan Desai and Mr. G.K. Mishra were co-opted as a Directors at the Meeting of the Board held on 8th December 2005 and would be holding office up to the ensuing AGM and one of the members has given notices with the requisite fees for his appointment as a director. The Directors recommend their reappointment to the members as proposed in Resolution Nos. 5 and 6 of the Notice. Mr. A.K. Mishra and Mr. Pehlaj Nihlani Kishore would be retiring by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956 with respect to Director's Responsibility Statement, it is hereby confirmed:

- (1) That in the preparation of the accounts for the financial year ended 31st March 2005, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (2) That the Directors have adopted such accounting policies and applied them consistently and made judgments estimates that were reasonable and prudent so as to give a true and fair view of the state affair of the Company at the end of the financial year and of the profit or loss of the company for the year under review.
- (3) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (4) That the Directors have prepared the accounts for the financial year ended 31st March 2005 on a "going concern" basis.

ISSUE OF CONVERTIBLE WARRANTS

During the year review, you company has taken steps for issue of 1,00,00,000 convertible warrants of Rs. 10/- each for cash at par and received Rs. 1 crore towards application money from the subscribers. Subsequent to the receipt of in principle approval from the Bombay Stock Exchange, these warrants have already been allotted to the subscribers subsequent to the year under review.

PARTICULARS OF EMPLOYEES:

During the year under review, there were no employees, covered under section 217 (2A) of the Companies Act, 1956. Provisions of Section 217 (1) (e) of the Companies act, 1956 is not applicable to the Company.

CORPORATE GOVERNANCE:

As per revised clause 49 of the Listing Agreement with Stock Exchange, a separate section on Corporate Governance together with a certificate from Company's Auditors confirming Compliance is set out in the Annexure forming part of this report.

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

The details required, to the extent applicable, under the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are as under and form part of this report. The Company regularly takes necessary steps to conserve power consumption at its plant in order to reduce its cost of production.

At present the Company has no specific Research and Development Department.

During the year under review, the Company neither earned nor spent any foreign exchange.

AUDITORS:

M/S Navin Choudhary & ASSOCIATES, Chartered Accountant, Auditors of the Company retires at the Annual General Meeting and being eligible offer themselves for re-appointment. Members will be required to appoint Auditors for the current year and to authorize the Board of Directors to fix their remuneration.

ACKNOWLEDGEMENT :

Your directors wish to place on record their appreciation for the support and cooperation, which the Company continues to receive from its customers, various Govt. Agencies, the Company's Bankers and T.V.Channels. The Directors also wish to place on record their appreciation for the sense of responsibility and team work displayed by employee at all levels.

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For and on behalf of the Board of Directors

Place : Mumbai

Date : 1st May 2006



VISION CORPORATION LIMITED

ANNEXURE TO THE DIRECTOR'S REPORT REPORTS ON CORPORATE GOVERNANCE

Pursuant to the revised Clause 49 of the Listing Agreement the detailed report on Corporate Governance is set below: The Company strongly believes in enhancing and balancing stakeholder values through good corporate governance. To pursue this objective the company has adopted its own code formulated by its experience in the field. The company has been consistently improving transparency and accountability to all its stakeholders.

To further reinforce its commitment to good corporate governance and to bring objectivity in governance process, the company has an Audit Committee, which comprise of non-executive directors and independent directors.

[I] BOARD OF DIRECTORS

The Board of Directors of the Company comprises of Non Executive Directors. The Directors are qualified professionals in business, finance and corporate management. The Board meets at least once in a quarter to consider amongst other business matters, the quarterly performance of the Company and financial results. Directors attending the meeting actively participate in the deliberation at these meetings.

Number of Board Meetings

The Boards meets at least once in a quarter to consider amongst other business matters, the quarterly performance of the Company and financial results. Directors attending the meeting actively participate in the deliberations at these meetings.

Composition and Category of Directors

As per Clause 49 of the Listing Agreement in case of non-executive Chairman, one third of the Board should comprise of the non-executive Directors. The Company had already complied with the criteria as shown below

Name of director	Category	Designation	No Of meetings Held	No. Of meetings Attended	* No. Of member ship in Boards of other companies	No. Of member ship in Committees of other companies	Last AGM attended
A.K. Mishra	Executive	Executive Chairman	7	7	1	-	Yes
Gautam Shah	Executive	M.D.	7	7	-	-	Yes
Pehlaj Nihalani	Independent Director	Director	7	1	-	-	-
Rajan Desai	Independent Director	Director	7	4	-	-	Yes
Kishore Deshpande	Independent Director	Director	7	1	-	-	-
Chandrasekhar Ogale	Independent Director	Director	7	1	1	-	-
G. K. Mishra	Independent Director	Director	7	3	-	-	-
Shamal Basu	Executive	Whole Time Director	7	2	1	-	-

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* Does not include directorship / committee positions in companies incorporated outside India

Code of Conduct:

The Board have laid down a code of conduct for all Board members and senior management of the Company and all Board members and senior management personnel are affirming its compliance on an annual basis. The required declaration of this compliance from CEO is presented herewith.

DECLARATION

To the Members of Vision Corporation Limited

I hereby declare that the Board have laid down a code of conduct for all Board members and senior management of the Company.

It is further to declare that all Board Members and Senior Management personnel are complying with the prescribed code of conduct on annual basis

FOR Vision Corporation Ltd.

sd/-
Gautam Shah
Managing Director
PLACE : Mumbai
DATED : 1st May 2006.



[III] AUDIT COMMITTEE:

Your Board of Directors has constituted an Audit Committee in line with requirements, under section 292A of the Companies Act, 1956 (the Act). The Audit Committee consists of Mr. A.K.Mishra, Mr.G.M.Shah, and Mr. Chandrashekhar Ogale and is chaired by Mr. Gautam Shah, who is having vast experience in the area of finance and account.

During the year under review, the Audit Committee met four times. The meetings were attended by all the members of the committee. The charter of role and responsibilities of the audit committee includes the following major areas.

- To review reports of the Internal Audit Department and recommend to the Board to decide about the scope of its work including the examination of major items of expenditure.
- To meet statutory and internal auditors periodically and discuss their findings, suggestions and other related matters.
- To review the auditors' report and limited review on the financial statements and to seek clarifications thereon if required, from the auditors and to implement any suggestion.
- To review the weaknesses in internal controls, if any, reported by the internal and statutory auditors and report to the Board the recommendations relating thereto.
- To act as a link between the statutory and internal auditors and the Board of Directors.
- To recommend a change in the auditors if in the opinion of the Committee the auditors have failed to discharge their duties adequately.