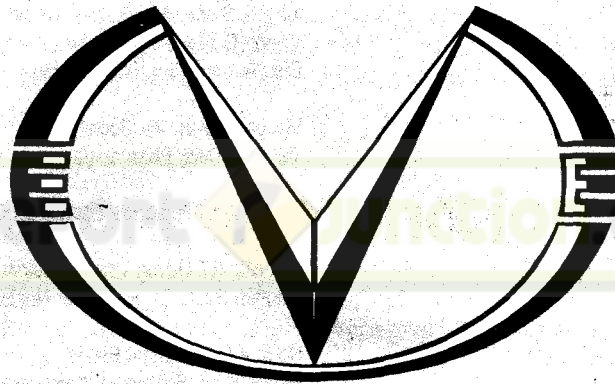


# **VIDEOCON INTERNATIONAL LIMITED**



## **VIDEOCON**

*19th*  
*Annual Report*  
*2003-2004*

**ANNUAL REPORT 2003-2004****BOARD OF DIRECTORS**

Venugopal N. Dhoot	Chairman & Managing Director
Naveen B. Mandhana	
Laichand Lalwani	
Vishnukumar Rathi	
Hariprasad Malpani	
Raghunathdas Somani	
S. Padmanabhan	
S. S. Dayama	
B. K. Chopra	
Ajay Saraf	Nominee of ICICI
K. Sivaprakasham	Nominee of IDBI
A. K. Gupta	Nominee of IFCI

**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

**SOLICITORS**

M/s. Mulla & Mulla & Cragie & Blunt & Caroe  
M/s. Kamal & Co.

**BANKERS**

State Bank of India  
Allahabad Bank  
Bank of Baroda  
Bank of India  
Bank of Maharashtra  
Central Bank of India  
ICICI Bank Ltd.  
Indian Bank  
Indian Overseas Bank  
SBI Commercial & International Bank Ltd.  
State Bank of Hyderabad  
State Bank of Indore  
State Bank of Mysore  
State Bank of Patiala  
The Bank of Rajasthan Ltd.  
The Federal Bank Ltd.  
Union Bank of India  
United Bank of India  
UTI Bank Ltd.  
Vijaya Bank

**REGISTERED OFFICE**

14 Km. Stone, Aurangabad – Paithan Road,  
Village Chittegaon, Taluka Paithan,  
Dist.-Aurangabad, (Maharashtra)

**FACTORY**

14 Km. Stone, Aurangabad – Paithan Road,  
Village Chittegaon, Taluka Paithan,  
Dist.-Aurangabad, (Maharashtra)

Village Chavaj, Via Society Area,  
Taluka & Distt. Bharuch (Gujarat)

E 23 & 24, Electronics Estate, G.I.D.C. Gandhinagar (Gujarat)

Plot No. 1D, Udyog Vihar Industrial Area,  
Gautam Budh Nagar, Greater Noida (U.P.)

No.5, A.M. Industrial Estate, Garve bhavi Palya,  
Hosur Road, Bangalore (Karnataka)

Plot No-28, Khasra No-293, Industrial Area,  
Selakul, Vikasnagar, Dehradun, (Uttaranchal).

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## ANNUAL REPORT 2003-2004

## NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of **VIDEOCON INTERNATIONAL LIMITED** will be held at the Registered Office of the Company at 14 KM Stone, Aurangabad - Pathan Road, Village Chittegaon, Taluka Pathan, Aurangabad- 431105, on Thursday, March 31, 2005 at 12.00 noon to transact the following business:

**ORDINARY BUSINESS:**

- To receive, consider and adopt the Audited Balance Sheet as at September 30, 2004 and the Profit and Loss Account for the year ended on that date together with the report of Directors and Auditors thereon.
- To declare dividend on Equity shares.
- To appoint a director in place of Shri S Padmanabhan, who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a director in place of Shri Raghunathdas Somani, who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint M/s Khandelwal Jain & Co., Chartered Accountants, and M/s. Kadam & Co., Chartered Accountants, the retiring Auditors of the Company, as Joint Auditors, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

**SPECIAL BUSINESS:**

- 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 Section 255, 257 and other applicable provisions, if any, of the Companies Act, 1956, Shri B K Chopra, retiring Additional Director be and is hereby appointed as Director of the Company liable to retire by rotation."
- 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 16,94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Capital of the Company be and is hereby increased from Rs.1,750,000,000/- (Rupees One Hundred Seventy Five Crores only) divided into 85,000,000 (Eight Crores and Fifty Lakhs) Equity shares of Rs.10/- each and 9,000,000 (Ninety Lakh) preference shares of Rs.100/- each to Rs. 5,750,000,000/- (Rupees Five Hundred Seventy Five Crores Only) by creating 40,000,000 (Four Crores) preference shares of Rs.100/- (Rupees One Hundred Only) each and Clause V of Memorandum of Association of the Company be altered accordingly to read as under:  
"V. The authorized capital of the Company is Rs. 5,750,000,000/- (Rupees Five Hundred Seventy Five Crores Only) divided into 85,000,000 (Eight Crores Fifty Lakhs) Equity Shares of Rs.10/- (Rupees Ten only) each and 49,000,000 (Four Crores Ninety Lakhs) Preference shares of Rs.100/- (Rupees One Hundred only) each. The Company has power from time to time to increase, or reduce its capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or subrogate any such rights, privileges or conditions or restrictions in such manner as may for the time being be permitted by Articles of Association of the Company or the legislative provisions for the time being in the force in this behalf."
- To consider and if thought fit, to pass with or without modifications, the following Resolution as a Special Resolution:  
"RESOLVED THAT pursuant to the provisions of Sections 80, 81 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the provisions of the Memorandum and Articles of Association of the Company and subject also to any approval, consent, permission and sanction of the Government of India, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchange(s) and any other appropriate authorities, institutions or bodies, the Board of Directors (hereinafter referred to as "the Board") be and is hereby authorized to issue and allot, on behalf of the Company, through prospectus, Letter of offer or Circular and/or a Private Placement basis or on Preferential basis or on Rights basis, Preference Shares of face value of Rs.100/- (Rupees One Hundred Only) for an aggregate value not exceeding Rs. 400 Crores only) exclusive of such premium as may be fixed on the said Securities to such of the institutions, banks, bodies corporate (including companies), trust, mutual fund, local bodies, existing shareholders and/or any other person as the Board may desire in this behalf, whether or not such investor is a member of the Company and such issue/allotment shall be made at such time, price, manner and on such terms and conditions as the Board may, in its discretion deem fit and appropriate at the time of issue/allotment.  
RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things and to take all steps and give such directions as may be necessary and to settle all questions or difficulties that may arise in such manner as the Board in its absolute discretion may deem fit.  
RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Managing Director or Director(s) or any other officer(s) of the Company to give effect to the aforesaid Resolution."
- To Consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:  
"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, and subject to such approvals as may be necessary, the Company hereby accords its approval to the re-

appointment of Shri V N Dhoot as the Managing Director of the Company for a period of five years with effect from October 1, 2005, since his tenure as Managing Director ends on September 30, 2005, upon the following terms and conditions:

- Salary: Rs. 1,25,000/- (Rupees One Lakh Twenty Five Thousand Only) per month.
- Commission:  
At the rate of 1% of the net profits of the Company for the financial year subject to maximum as may be laid down by the Board of Directors from time to time.
- Perquisites:
  - Contribution to Provident Fund and Superannuation Fund singly or put together to the extent are not taxable under the Income-tax Act.
  - Gratuity at the rate of one month's salary for each completed year of service.
  - Leave with full pay as per the Rules of the Company, encashment of unavailed leave being allowed at the end of the tenure.
  - Free furnished residential accommodation with gas, electricity, water and furnishings or un-furnished accommodation with gas, electricity and furnishings and Company's furniture on rental basis as per scheme applicable to Senior Executives of the Company.
  - Reimbursement of medical expenses incurred in India or abroad and including hospitalization, nursing home and surgical charges for himself and family.
  - Reimbursement of actual traveling expenses for proceeding on leave from Mumbai to any place in India and return therefrom once in a year in respect of himself and family.
  - Reimbursement of servant's salary, subject to a maximum of two servants on a salary of upto Rs.2,000/- per servant per month.
  - Reimbursement of membership fees for clubs.
  - Personal accident insurance policy in accordance with the scheme applicable to senior employees.
  - Free use of Company's car for Company's work as well as for personal purposes along with driver.
  - Telephone at residence at Company's cost.

Provided that in the event of absence of inadequacy of profit in any year, Shri V N Dhoot will be paid the above remuneration except that:

  - No Commission will be paid.
  - Gratuity will be allowed at the rate of 15 days' salary for every year of service, and
  - Monetary value of Perquisites at (iv) to (xi) above shall not exceed permissible limit as per Income Tax Act in a financial year.

"RESOLVED FURTHER THAT the terms of the said re-appointment as set out in this Resolution and the Explanatory Statement submitted to this meeting are hereby specifically sanctioned with liberty to the Board of Directors to alter, vary and modify the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Shri V N Dhoot, subject to the same being in conformity with the provisions of Schedule XIII of the Companies Act, 1956, for the time being in force and that the Board of Directors of the Company be and is hereby authorised to take such steps as would be expedient or desirable to give effect to this resolution including obtaining of the approval of the Central Government, if so required."

"RESOLVED FURTHER THAT Shri V N Dhoot be and is hereby entrusted with substantial power of management and power perform such functions as may from time to time be decided by the Board of Directors."

**REGISTERED OFFICE**

14. KM Stone,  
Aurangabad Pathan Road,  
Village - Chittegaon,  
Taluka Pathan,  
Aurangabad  
Place: Ahmednagar  
Date : February 25, 2005

For and on Behalf of the Board

**V. N. DHOOT**  
**CHAIRMAN & MANAGING DIRECTOR**

**NOTES:**

- Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, is enclosed and forms part of this notice.
- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, in order to be valid, proxies duly stamped, should be lodged with the company at its Registered Office not later than forty eight hours before the commencement of the meeting.
- The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, March 17, 2005 to Thursday, March 31, 2005 (both days inclusive) for determining the names of members eligible for dividend, if approved, on equity shares.
- The dividend as may be declared shall be payable to members of the Company whose names appear in the Register of Members of the Company as on March 31, 2005.



## VIDEOCON INTERNATIONAL LIMITED

5. Shri S Padmanabhan and Shri Raghunathdas Somani, retires by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. Shri V.N. Dhoot tenure as Managing Director expires on 30.09.2005 being eligible offer himself for reappointment as Managing Director. In Compliance of the Clause 49 of the Listing Agreement relating to Code of Corporate Governance and in respect of the directors being appointed/reappointed, the Details of Directors being appointed/re-appointed is being given as a part of Corporate Governance Report pursuant to Clause 49 of the Listing Agreement relating to Code of Corporate Governance
6. The members are requested to:
  - a) Intimate to Share Transfer Agents of the Company/ Depository Participant changes, if any, in their Registered Addresses at an early date.
  - b) Quote Ledger Folio/ Client ID numbers in all the correspondence.
  - c) Bring the Copy of the Annual Report and Attendance Slip with them to the Annual General Meeting.
7. Unpaid Dividend for the financial year 1996-1997 had been transferred to Investor Education and Protection Fund. Members are hereby informed that dividends which remain unpaid/unencashed over a period of 7 years have to be transferred by the company to the Investor Education & Protection Fund constituted by the Central Government under Section 205A & 205 C of the Companies Act, 1956. In view of the above, the shareholders will be entertained for the unclaimed dividends which have been transferred to the credit of the Investor Education & Protection fund of the Central Government under the provisions of Section 205C of the Companies Act, 1956. In view of the above, the shareholders are advised to send all the unencashed dividend warrants for the year 1997-98 onwards to the Registered Office of the company for revalidation/issue of demand drafts, and encash them before the due date for transfer to the Central Government.
8. The Securities and Exchange Board of India (SEBI) and Reserve Bank of India (RBI) have advised all the listed companies to mandatorily use the Electronic Clearing Services (ECS) facility wherever possible for dividend payment to the shareholders. In view of the same, members are requested to provide the Company, Depository Participant the necessary details with ECS mandate for crediting the future dividend payment directly to their respective bank accounts.
9. In order to provide protection against fraudulent encashment of the warrants, the shareholders holding shares in physical form are requested to intimate the Registrar and Transfer Agents under the signature of the Sole/First joint holders, the following information to be incorporated on the Dividend Warrants:
  - i. Name of the Sole/first joint holder and the folio number.
  - ii. Particulars of Bank Account viz.,
    - a. Name of the Bank
    - b. Name of the Branch
    - c. Complete address of the Bank with Pin code Number
    - d. Bank Account Number allotted by the Bank

The Shareholders holding the share in dematerialized form are requested to intimate the changes, if any, to their Depository participants, in their Bank Account details for the purpose of incorporating the same on the Dividend Warrants.
10. Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B (which will be made available on request) to the Registrar and Transfer Agents.
11. Corporate Members intending to send their authorized representative are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.

### EXPLANATORY STATEMENT (Pursuant to Section 173(2) of the Companies Act, 1956)

#### Item No.6:

Shri Bhopinder Kumar Chopra was appointed by the Board of Directors of the Company as an additional director on 2<sup>nd</sup> April, 2004. He holds office upto the date of this annual general meeting. As required by Section 257 of the Companies Act, 1956, the Company has received a notice in writing along with deposit from members signifying their intention to propose him as a candidate for the office of the director.

Shri Bhopinder Kumar Chopra born on 13<sup>th</sup> November, 1934, was appointed as an additional director on the Board of Company on 2<sup>nd</sup> April, 2004. Mr. Chopra did his B.Sc (Hons) and PGD (D.I.I.Sc) in Electrical Communication Engineering from Indian Institute of Science, Bangalore. Shri Chopra has vast experience in the fields of Consumer Electronics & Home Appliances. Shri Chopra was associated with General Electric co for 10 Years, Philips India Limited as General Manager for 21 Years and Videocon International Limited as Vice President for 10 years. He ceased to be employee of the Company. Shri Chopra is an Independent Director and Committee Member of India Floor Care Appliances Limited.

The Board is of the opinion that his vast experience and knowledge will prove beneficial for the future growth and developments of the Company. The Board recommends his appointment as Director of the Company.

None of the Directors, except Shri Bhopinder Kumar Chopra is concerned or interested in the said Resolution.

#### Item No.7:

The consumer electronic industry has become more capital intensive. The Company at present has two segments viz., Consumer Electronics and Glass Shells. The Glass Shells division of the Company is doing exceedingly well and is poised to grow at rapid phase in the years to come. In view of increase in demand of the Glass Shells and in order to achieve its strategy of becoming a global player in the field of manufacture of Glass Shells, the company is planning to enhance its volume of activities. Your company may have to go in for augmentations of the capital base to part finance the long-term working capital requirements. Hence the authorized capital of the Company should be adequately increased to accommodate the proposed augmentation of the long-term working capital requirement. The above proposed change will necessitate amendments to the Capital Clause of the Memorandum of Association of the Company.

Pursuant to Section 16 of the Companies Act, 1956 read with Section 94 of the said Act, the above said amendment to the Capital Clause should be approved by the General Body of members by way of an Ordinary Resolution. Your Directors recommend the proposed resolution for the approval of the members.

None of the Directors of the Company are interested in the proposed resolution.

#### Item No.8:

It is proposed to increase the authorized capital of the Company from Rs.175 Crores to Rs. 575 Crores. The proposed increase in Authorised Capital will take care of any further issue of Preference Shares that the Company may wish to make in future.

In terms of Section 81(1) of the Companies Act, 1956, in the event of a Public Company proposing to increase its subscribed capital by way of allotment of further shares in the circumstances specified therein, it is required to offer such further shares to its existing equity shareholders in the proportion of their respective equity shareholdings in the Company. However, as per the provisions of Section 81(1) of the Companies Act, 1956, the further issue of shares to existing members does not require the approval of shareholders at the General Body Meeting.

Pursuant to Section 81(1A) of the Act a Public Company may offer its shares in any manner whatsoever to persons other than those mentioned in Section 81(1) if a special resolution to that effect is passed by it in general body meeting of the members.

The Board seeks the consent of the members authorized the Board to issue further shares to the existing shareholders or persons other than the existing shareholders at such time, price, manner and on such terms and conditions as the Board may, in its discretion deem fit and appropriate at the time of issue/allotment. Detailed terms and conditions including the issue price, premium, etc., will be determined, by the Board of Directors of the Company in consultation with the Lead Managers/Advisors/Consultants and/or depending upon the then prevailing market conditions.

This Special Resolution is being recommended to authorize the Board to issue preference shares on preferential basis or through prospectus or through Letter of Offer either on Private Placement basis, preferential basis, Public issue or Rights Issue.

The Directors of the Company may be deemed to be interested in the resolution to the extent of allotments, if any, to be made to them, their relatives and to the companies in which they are interested.

#### Item No.9:

Shri Venugopal N Dhoot was re-appointed as the Managing Director of the Company at the Fifteenth Annual General Meeting of the members held on 30<sup>th</sup> September, 2000 for a period of 5 years w.e.f. 1st October, 2000 and is entrusted with substantial power of management. Since, the tenure of Shri Venugopal N Dhoot as Managing Director ceases on 30<sup>th</sup> September, 2005, an approval of the members is sought to re-appoint Mr. Venugopal N Dhoot as the Managing Director of the Company with effect from 01<sup>st</sup> October, 2005 for a period of 5 years.

His appointment and remuneration fixed are in accordance with Schedule XIII to the Companies Act, 1956 and is subject to necessary approval of the shareholders for which purpose, the resolution, as set out in the Notice is proposed.

The draft agreements between the Company and Shri V N Dhoot as Managing Director is available for inspection by the members at the Registered Office of the Company between 11.00 a.m to 1.00 p.m. on any working day.

None of the Directors except Shri V N Dhoot is concerned or interested in the said Resolution.

#### REGISTERED OFFICE

14, KM STONE,  
Aurangabad Pathan Road,  
Village - Chittagaon,  
Taluka Paithan,  
Aurangabad

Place: Ahmednagar

Date : February 25, 2005

For and on behalf of the Board

V. N. DHOOT  
CHAIRMAN & MANAGING DIRECTOR

**ANNUAL REPORT 2003-2004****DIRECTORS' REPORT****TO THE MEMBERS,****of Videocon International Limited**

The Board of Directors has pleasure in presenting the 19th Annual Report together with the audited accounts for the financial year ended 30<sup>th</sup> September 2004.

**FINANCIAL RESULTS**

The performance of the Company for the financial year ended 30<sup>th</sup> September 2004 is summarized below:

(Rs. in Million)

	For the year ended 30.09.2004	For the year ended 30.09.2003
Net Sales	37,260	33,600
Other Income	88	27
Profit before Interest Tax and Depreciation	6,412	5,721
Interest	2,154	2,044
Depreciation	2,252	1,975
Profit before Tax	2,006	1,702
Provision for Taxation	673	652
Profit after Tax	1,333	1,049
Proposed Dividend:		
- Equity	71	71
- Preference	3	7
Corporate Tax on Proposed Dividend	10	10
Transferred to General Reserve	750	1,250
Carried to Balance Sheet	3,512	3,324

**PERFORMANCE HIGHLIGHTS**

The Company continued its march on the path of growth during the year. The Sales for the financial year under review was Rs. 37,260 Million as against Rs. 33,600 Million for the previous financial period. The Profit before tax (after interest and depreciation charges) was Rs.2,006 Million and Profit after tax of Rs. 1,333 Million for the financial year under review as against Rs. 1,702 Million and Rs. 1,049 Million respectively for the previous financial year.

**DIVIDEND**

Your directors have pleasure in recommending a dividend of Re. 1/- (Rupee One only) per equity share for the consideration of members. The equity dividend amounting to Rs. 71.21 Million, if approved by the shareholders at the ensuing Annual General Meeting, would be paid out of the profits for the year. The dividend is free of tax in the hands of the shareholders.

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year under review the Foreign Exchange Earnings on account of FOB value of exports amounted to Rs.1,696 Million as against Rs.1,622 Million in the previous period and other Foreign Exchange Earnings were Rs.33 Million as against Rs.Nil for the previous period.

The total foreign exchange outgo during the year was Rs. 5,813 million towards import of raw materials, Components, Spares, Capital Goods and other expenditure.

**CONSERVATION OF ENERGY**

The Company consistently pursues reduction in energy consumption in its manufacturing process on an ongoing basis.

An overall awareness has been created among the employees/workers to avoid wastage of water and power by shutting the power off when not in use. A parameter has been developed in office atmosphere to shut power off for some part of day so as to take up manual work and complete the manual activity during that part of the day. The lighting fixture in the administrative areas has been optimized. A quality team has been appointed to closely monitor the consumption of fuel and laying emphasis on non-conventional energy sources.

**RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION**

The Company gives utmost importance to the R & D activities which are carried out at in-house R & D Centre. The Company carries on new innovations in product development, cost reduction, quality improvement, process implementations, process controls.

**1. Specific areas in which R&D is carried out by the company.**

During the year, the company has carried out Research and Development in the following areas:

- Home theaters -High end models and HTIB Models

- Larger Screen Televisions i.e., 32inch and 38inch.
- True Flat Televisions
- Plasma Televisions
- Cosmetic design and new outlook to the TVs
- Manufacturing of Components for CTV, Refrigerators and Air conditioners.
- Efforts to reduce power consumption of all its final products.

**2. Benefits derived as a result of the above R&D.**

The Company has derived the following benefits as a result of the Research and Development:

- Development of new design in products and launch of various new models
- Able to compete with the foreign players in the Indian Markets by cost reductions and offering innovative features and to maintain market leadership in Television under Videocon umbrella.
- Increase in Productivity.
- Reduction in power consumption of some of the products.

**3. Future plan of action**

In the coming days company is aiming to achieve development in the following areas through Research and Development:

- Manufacturing of Components for Consumer Electronics Products
- Multimedia TV.
- Plasma Televisions
- Launching of New Brands & Sub-brands under Videocon umbrella.
- Composite Home Entertainment system with internet adaptability.
- To work on better features, better quality & improved reliability with reduced/low prices.

Your Company always attempts to use the latest and advanced technology in production process. Keeping pace with the technological developments, the company keeps on adding sophisticated equipments with focus on automation to minimize manual intervention in the manufacturing process thereby ensuring better quality of the final products.

**FIXED DEPOSITS**

Your company has not accepted any deposits within the meanings of Section 58A of the Companies Act, 1956, from the Public.

**INFORMATION TECHNOLOGY**

Your 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 ERP packages and has linked the factories and branches all over India. The company uses information technology in all areas of activities such as manufacturing process, logistics management, MIS and in Accounts and finance

**MATERIAL CHANGES AND COMMITMENTS**

There are no material changes and commitment, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of this report.

**HEALTH, SAFETY AND ENVIRONMENT**

Your company recognizes its role in health and safety, as well as its responsibility towards environment and society.

Health is an integral part of the Company. Modern occupational health and medical services are available to all the employees through need-based access. The Company accords high priority to health education and awareness.

Safety and security of the personnel, assets and the environmental protection are on top of the agenda of the Company at its manufacturing facility. Every business issue and activity are discussed with safety in mind. Inter-site safety is a prime agenda.

Clean environment and sustainable development integrated with the business objective is the focus of operations of the Company. The projects and activities are planned and designed with environment protection as an integral part to ensure a safe and clean environment for sustainable development.

**HUMAN RESOURCES MANAGEMENT**

The Company continues to improve daily living and to create a workplace where every person can reach his or her full potential. The work environment gives employees the freedom to make the most of them. Learning and relevance are key principles at the Company. The

## VIDEOCON INTERNATIONAL LIMITED

Company believes in talent acquisition and retention, to augment its plan of making its presence more prominent to global markets. The Company has developed a HRD Plan with the parameters to achieve Excellent Results. The steps have been taken to create a sense of belongingness in the minds of the employees, which in turn gives maximum contribution per employee while gearing them to face the challenges in the competitive business environment and achieve the desired goals.

The Company believes in participation of human resources at all levels in efficiency & productivity improvement.

### INDUSTRIAL RELATIONS

Relations with the staff members and the workmen continued to be cordial and satisfactory during the year under consideration.

### APPOINTMENT/RE-APPOINTMENT OF DIRECTORS

During the year Shri Ajay Saraf was nominated by ICICI Bank Ltd. as Director on the Board of the Company in place of Shri Nagesh D Pinge. Shri Ajay Saraf is a Joint General Manager with ICICI Bank Limited and is having vast experience in the fields of finance and banking. The Board is of the opinion that his vast experience and knowledge will be of immense help to the Company in its development.

During the year Shri Ashish Kumar Gupta was Nominated by IFCI as Director on the Board of the Company in place of Shri Aditya Kumar Ahuja. The Board is of the opinion that his vast experience and knowledge will be of immense help to the Company in its development.

The Board takes this opportunity and place on record its sincere appreciation for the valuable guidance and suggestion given by Shri Nagesh D Pinge and Shri Aditya Kumar Ahuja during their tenure as the members of the Board.

During the year Shri B K Chopra was appointed as an Additional Director by the Board. The Company has received a notice from the members signifying his candidature for the appointment of Shri B K Chopra as a Director of the Company. Shri Bhopinder Kumar Chopra born on 13<sup>th</sup> November, 1934, was appointed as an additional director on the Board of Company on 2<sup>nd</sup> April, 2004. Shri Chopra did his B.SC (Hons) and PGD (D.I.T.Sc) in Electrical Communication Engineering from Indian Institute of Science, Bangalore. Shri Chopra has vast experience in the fields of Consumer Electronics & Home Appliances. Shri Chopra was associated with General Electric co for 10 Years, Philips India Limited as General Manager for 21 Years and Videocon International Limited as Vice President for 10 years. He ceased to be employee of the Company. Shri Chopra is an Independent Director and Committee Member of India Floor Care Appliances Limited. The Board recommends his appointment.

Shri Raghunathdas Somani and Shri S Padmanabhan, retire by rotation and being eligible, offer themselves for reappointment at the ensuing Annual General Meeting.

Shri Venugopal N Dhoot was re-appointed as the Managing Director of the Company at the Fifteenth Annual General Meeting of the members held on 30<sup>th</sup> September, 2000 for a period of 5 years and is entrusted with substantial power of management. Since, the tenure of Shri Venugopal N Dhoot as Managing Director ceases on 30<sup>th</sup> September, 2005, an approval of the members is sought to re-appoint Mr. Venugopal N Dhoot as the Managing Director of the Company with effect from 01<sup>st</sup> October, 2005 for a period of 5 years.

Brief resume of the above Directors, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are given in the Corporate Governance Report attached hereto.

### DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 217(2AA) read with Section 292A of the Companies Act, 1956, we, the Directors of Videocon International Limited, state in respect of Financial Year 2003-04 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 Audit Committee comprises of Four Independent Directors, inter alia for holding discussions with the Auditors periodically, review of quarterly, half yearly and annual financial statements before submission to Board, review of observations of Auditors and to ensure compliance of internal control systems;

- 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 and the Internal Audit System, 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.
- i) The company has not denied any personnel access to the audit committee of the Company.

### PARTICULARS OF EMPLOYEES

The details of employees drawing remuneration in excess of monetary ceiling prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 during the financial year 2003-2004 are annexed to this report.

### SUBSIDIARY COMPANIES

Pursuant to the requirements of Section 212 of the Companies Act, 1956, the Annual Reports and Accounts of the subsidiary companies, viz, Paramount Global Limited, Videocon Industrial Finance Limited, Videocon (Cayman) Limited, Middle East Appliances LLC, Mars Overseas Limited, Trend Limited, Sky Billion Trading Limited, Videocon Global Limited, Gruhaupyogi Electronics Appliances Pvt Ltd and Gajanan Electronics & Supply Private Limited for the year ended September 30, 2004 are annexed together with statements showing the extent of the company's interest therein.

### CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the requirements of Accounting Standards AS-21 prescribed by the Institute of Chartered Accountants of India, the directors present the consolidated financial statements, duly incorporating the financial statements of the subsidiaries viz., Paramount Global Limited, Videocon Industrial Finance Limited, Videocon (Cayman) Limited, Middle East Appliances LLC, Mars Overseas Limited, Trend Limited, Sky Billion Trading Limited, Videocon Global Limited, Gruhaupyogi Electronics Appliances Pvt Ltd and Gajanan Electronics & Supply Private Limited.

### AUDITORS' REPORT

The observation made in the Auditors' Report are self-explanatory and therefore do not call for further comments under Section 217 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(1B) of the Companies Act, 1956.

### CASH FLOW STATEMENT

In conformity with the provisions of Clause 32 of the listing agreement with Stock Exchanges, the cash flow statement for the year 2003-04 is annexed hereto.

### 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.

### COMPLIANCE CERTIFICATE

A certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

### ACKNOWLEDGEMENTS

The Board would like to express their grateful appreciation for the assistance and co-operation received from the financial institutions, Banks, Government Authorities, Customers, Vendors and Shareholders during the year under review. Your Directors also wish to place on record its deep sense of appreciation for the committed services of the Executives, Staff and Workers of the Company.

For and on Behalf of the Board

**V.N.DHOOT**  
Chairman and Managing Director

Place : Ahmednagar

Date : February 25, 2005



**ANNUAL REPORT 2003-2004****ANNEXURE TO 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 2004.

Name of the Employee	Designation/ Nature of Duties	Remuneration	Qualifications	Age	Experience	Date of Commencement of Employment	Last Employment	
							Name of the Employer	Position Held
Mr. Rahul Sethi	Vice President	2,647,867	B. Com.	53	30 years	01.02.1987	Gedor Ltd.	Commercial Manager

- a) Remuneration includes Basic Salary, Ex-Gratia, H.R.A, Mktg. Allowance, Special Allowance. C.A., L.T.A., Leave Encashment, Medical Re-imbursement, Contribution to Provident Fund.
- b) The employees are in wholtime employment of the company and the employment is contractual in nature.
- c) None of the employees listed above is a relative of any director of the company.

Place : Ahmednagar

Date : February 25, 2005

**CORPORATE GOVERNANCE**

*(as required under Clause 49 of the Listing Agreements entered into with the Stock Exchanges)*

The Clause 49 lays down several corporate governance practices which, listed companies are required to adopt. While most of the practices laid down in clause 49 require mandatory compliance, others are only recommendatory in nature. This report sets out the compliance status of the Company with the requirements of corporate governance, as set out in clause 49, for the financial year 2003-04.

**Company's Philosophy on Code of Governance:**

The company's philosophy on Corporate Governance enshrines the goal of achieving the highest levels of transparency, accountability and equity in all spheres of its operations and in all its dealing with the shareholders, employees, the Government and other parties. The Company believes the philosophy on Code of Corporate Governance which provides a structure by which the rights and responsibilities of different constituents, such as the Board, employees and shareholders are carved out. In carrying out this, it is ensured that the company's objectives are well defined, and performance against those objectives are adequately measured and monitored.

Corporate Governance is considered as an important tool for shareholder protection and maximization of their long-term values. The cardinal principles such as accountability, responsibility, transparency and fair disclosure serve as the means for achieving this.

**Board of Directors:**

The Board of Videcon International Limited consists of 12 Directors with an Executive Chairman designated as Chairman and Managing Director and Eleven eminent people comprising of Eight Independent and Three Nominee Director appointed in capacity of lenders.

The Independent directors are from different fields such as marketing, finance, and technical. The Chairman and Managing Director has been delegated clearly defined work responsibility. The Board of the Company meets frequently at regular intervals for planning, assessing, and evaluating all-important businesses. The Board has constituted an Audit Committee, Share Holders Committee comprising of Transfer Committee and Shareholders/Investors Grievance Committee, Remuneration Committee and Project Management Committee.

- a) The composition of Board of Directors is as follows:

Sl. No.	Name of Director	Category	Whether attended AGM held on 31.03.2004	Attendance in Board Meetings Attended	Other Board (Public Limited Companies)		
					Directorship	Committee Chairmanship	Committee Membership
1	Mr.Venugopal N Dhoot	Promoter Executive	No	14	12	-	4
2	Mr.Naveen B Mandhana	Independent -Non-Executive	No	8	1	-	2
3	Mr.Lalchand Lalwani	Independent-Non-Executive	No	6	-	-	-
4	Mr.Vishnukumar Rathi	Independent-Non-Executive	No	5	1	-	1
5	Mr.Hariprasad Malpani	Independent-Non-Executive	No	7	-	-	-
6	Mr.Ragunathdas Somani	Independent-Non-Executive	No	6	1	1	-
7	Mr.S.Padmanabhan	Independent-Non-Executive	No	8	12	1	9
8	Mr. Nagesh Pinge*	Nominee of ICICI Bank Ltd (in capacity of Lenders)	No	1	3	-	1
	Mr. Ajay Saraf **	Nominee of ICICI Bank Ltd (in capacity of Lenders)	No	1	1	-	-
9	Mr. K Sivaprakasam	Nominee of IDBI Ltd. (in capacity of Lenders)	No	1	6	-	-
10	Mr.A K Ahuja ***	Nominee of IFCI Ltd. (in capacity of Lenders)	No	0	3	-	-
	Mr. A K Gupta ****	Nominee of IFCI Ltd. (in capacity of Lenders)	No	N.A	5	-	-
11	Mr. S S Dayama	Independent-Non-Executive	Yes	6	4	1	1
12	Mr. B K Chopra*****	Independent-Non-Executive	No	5	1	0	1

\* Mr.Nagesh Pinge (Nominee ICICI Bank Ltd.) was withdrawn from Board by ICICI Bank Ltd. and his resignation was considered on 19<sup>th</sup> July, 2004.

\*\* Mr.Ajay Saraf was appointed as Nominee of ICICI Bank Ltd. in place of Mr. Nagesh Pinge and was co-opted on 19<sup>th</sup> July, 2004.

\*\*\* Mr. A K Ahuja (Nominee IFCI Ltd.) was withdrawn from Board by IFCI Ltd. and his resignation was considered on 30<sup>th</sup> July, 2004.

\*\*\*\* Mr. A K Gupta was appointed as Nominee of IFCI Ltd. in place of Mr. A K Ahuja and he was co-opted on 31<sup>st</sup> October, 2004.

\*\*\*\*\* Mr. B K Chopra was appointed as additional director on 2<sup>nd</sup> April, 2004.

- b) 16 Board Meetings were held during the year 2003 – 2004 on the following dates :

29/10/2003, 24/11/2003, 30/01/2004, 25/02/2004, 27/02/2004, 18/03/2004, 2/04/2004, 22/04/2004, 29/04/2004, 7/05/2004, 09/07/2004, 19/07/2004, 30/07/2004, 10/09/2004, 22/09/2004, 30/09/2004.

- c) The Company did not have any pecuniary relationship or transaction with Non-Executive Directors during year 2003-2004.

## VIDEOCON INTERNATIONAL LIMITED

Brief Details of Director seeking re-appointment:

### A. The Brief details of Mr. Venugopal N Dhoot, Director seeking reappointment as Managing Director are as under:

1 Name of the Director	Mr. Venugopal N Dhoot
2 Date of Birth	30.09.1951
3 Education Qualification	BE Mechanical
4 Date of Appointment on the Board	19.01.1985
5 Category of Director	Promoter Executive - Chairman and Managing Director
6 Area of Expertise	Industrialist with vast experience in diversified field
7 Other Directorships in Public Limited Company.	1. Videocon Appliances Limited 2. Videocon Communications Limited 3. Kitchen Appliances India Limited 4. Applicomp India Limited 5. Petrocon India Limited 6. Videocon Power Limited 7. Indian Refrigerator Company Limited 8. Shree Dhoot Trading & Agencies Ltd 9. KJMC Financial Services Limited 10. Videocon Industrial Finance Limited 11. Videocon Housing Finance Limited 12. Videocon VCR Securities Limited
8 Names of the committees of other bodies corporate in which Chairman	Nil
9 Names of the committees of other bodies corporate in which Member	1. Videocon Housing Finance Limited 2. Indian Refrigerator Company Limited 3. Shree Dhoot Trading & Agencies Limited 4. Applicomp (India) Limited

The Directors are of the opinion that his reappointment will be of immense help for the growth and development of the Company. Shri. V. N. Dhoot being eligible has offered himself for reappointment as Managing Director of the Company. The Board recommends his appointment.

### B. The Brief details of Mr. S Padmanabhan, retiring director, is as under:

1 Name of the Director	Mr. S. Padmanabhan
2 Date of Birth	01.09.1939
3 Education Qualification	B.Sc. Physics (Honours), M.Sc. Physics, Bachelor of General Law, Diploma in Developmental Economics-University of Cambridge, Diploma in Management.
4 Date of Appointment on the Board	25.01.2001
5 Category of Director	Independent Director
6 Area of Expertise/Senior Position Held/Work Experience	Retd. IAS. ➤ Chief Executive Officer of Zilla Parishad - 1 Year. ➤ Collector of a District was Incharge of the Koyna Earthquake. ➤ Director of Tourism, Govt of Maharashtra - 1 Year. ➤ Chief Executive Officer- Bombay Buildings Repair and Reconstruction Board & Ex-officio Dy. Secretary Housing. Govt of Maharashtra - 2 ½ Years. ➤ Director - Department of Atomic Energy, Government of India, dealing with projects, power projects, Nuclear Power Stations, Purchase, Budget Administration, Vigilance - 4½ Years. ➤ Managing Director - The State Industrial & Investments Corporation of Maharashtra Ltd (SICOM). ➤ Commissioner - Aurangabad Division. Incharge of 6 Districts for Planning & Development - 1 Year. He is a management consultant and advisor to various corporates.
7 Other Directorships in Public Limited Company	1. Videocon Appliances Limited 2. Videocon Communications Limited 3. Kitchen Appliances India Limited

4. Applicomp India Limited	1. Videocon Appliances Ltd
5. Petrocon India Limited	1. Videocon Communications Ltd (Audit and Shareholders Committee)
6. Videocon Power Limited	2. Applicomp (India) Limited (Audit Committee)
7. Desai Brothers Limited	3. Videocon Power Limited (Audit Committee)
8. Asian Electronics Limited	4. Petrocon India Limited (Audit Committee)
9. Premier Automobiles Limited.	5. Kitchen Appliances India Limited (Audit Committee)
10. Sudarshan Chemical Industries Ltd	6. The Premier Automobiles Ltd (Audit Committee)
11. State Bank of India (Ahmedabad Local Board)	7. The Premier Automobiles Ltd (Whole Time Directors' Remuneration)
12. Videocon VCR Securities Ltd	8. Asian Electronics Ltd (Audit Committee)

The Directors are of the opinion that his reappointment will be of immense help for the growth and development of the Company. Shri. S. Padmanabhan being eligible has offered himself for reappointment. The Board recommends his appointment.

### C. The Brief details of Mr. Bhopinder Kumar Chopra are as under:

1 Name of the Director	Mr. Bhopinder Kumar Chopra
2 Date of Birth	13.11.1934
3 Education Qualification	B.Sc. (Hons) and PGD (DII Sc) in Electrical Communication Engineering from IIS, Bangalore.
4 Date of Appointment on the Board	02.04.2004
5 Category of Director	Independent Director
6 Area of Expertise/Senior Position Held/Work Experience	Vast experience in the fields of Manufacturing/Production and Marketing. Senior Position Held in : General Electric Co (10 Years) Philip India Limited (General Manager) 21 Years. Videocon International Limited as Vice President for 10 Years.
7 Names of other Directorships in Public Limited Company	1. India Floor Care & Appliances Limited
8 Names of the committees of other bodies corporate in which Chairman	Nil
9 Names of the committees of other bodies corporate in which Member	1. India Floor Care & Appliances Limited

The Directors are of the opinion that his reappointment will be of immense help for the growth and development of the Company. Shri. B.K. Chopra, being eligible has offered himself for reappointment. The Board recommends his appointment.

### D. The Brief details of Mr. Raghunath Das Somani, retiring director are as under:

1 Name of the Director	Mr. Raghunath Das Somani
2 Date of Birth	21.05.1951
3 Education Qualification	Graduate
4 Date of Appointment on the Board	30.08.1990
5 Category of Director	Independent Director
6 Area of Expertise/Senior Position Held/Work Experience	First Generation Entrepreneur.
7 Names of other Directorships in Public Limited Company	Videocon Industrial Finance Limited
8 Names of the committees of other bodies corporate in which Chairman	Nil
9 Names of the committees of other bodies corporate in which Member	Videocon Industrial Finance Limited (Audit Committee)



## ANNUAL REPORT 2003-2004

The Directors are of the opinion that his reappointment will be of immense help for the growth and development of the Company. Shri. Raghunath Das Somani, being eligible has offered himself for reappointment. The Board recommends his appointment.

**Audit Committee:**

As per the requirement of Part II of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956 the Company has formed an Audit Committee. Mr. Subhash S Dayama is the Chairman of the Audit Committee. The other members of the Committee being Shri Lalchand Lalwani, Shri Vishnukumar Rathi and Shri Hariprasad Malpani. Shri A K Ahuja, who was appointed as an Audit Committee member ceased to be member of audit committee consequent to withdrawal of his nomination by IFCL. Shri Vinod Kumar Bohra, Company Secretary, is acting as secretary to the Audit Committee.

The following areas are referred to the Audit Committee:

- 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:
  - > Changes, if any, in accounting policies and practices.
  - > Major accounting entries based on exercise of judgment by management.
  - > Observations if any, in draft audit report.
  - > Significant changes/amendments, if any, arising out of audit.
  - > The going concern assumption.
  - > Compliance with accounting standards.
  - > Compliance with stock exchange and legal requirements concerning financial statements

**Remuneration of Directors:**

The non-executive/independent directors are not entitled to any managerial remuneration except sitting fees for attending Board/Committee meetings. The Company pays sitting fees of Rs.1000/- per meeting to Non-Executive Directors. In respect of the nominee the fees is paid to respective Institution. Managing Director is not drawing any remuneration.

Name of the director	Sitting Fees	Salary and Perquisites	Super Annuation fund	Performance linked incentives	Stock Options	Commission	Total
Mr. V N Dhoot	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Mr. S Padmanabhan	8,000	Nil	Nil	Nil	Nil	Nil	8,000
Mr. Naveen B Mandhana	8,000	Nil	Nil	Nil	Nil	Nil	8,000
Mr. Hariprasad Malpani	12,000	Nil	Nil	Nil	Nil	Nil	12,000
Mr. Raghunath Das Somani	6,000	Nil	Nil	Nil	Nil	Nil	6,000
Mr. Vishnu Kumar Rathi	10,000	Nil	Nil	Nil	Nil	Nil	10,000
Mr. S S Dayama	11,000	Nil	Nil	Nil	Nil	Nil	11,000
Mr. Lalchand Lalwani	11,000	Nil	Nil	Nil	Nil	Nil	11,000
Mr. B K Chopra	5,000	Nil	Nil	Nil	Nil	Nil	5,000
Mr. Nagesh Dinker Pinge	1,000	Nil	Nil	Nil	Nil	Nil	1,000
Mr. Ajay Saraf	1,000	Nil	Nil	Nil	Nil	Nil	1,000
Mr. A K Ahuja	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Mr. A K Gupta	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Mr. K Sivaprakasam	2,000	Nil	Nil	Nil	Nil	Nil	2,000

**i) Shareholders' Committee:**

A Sub-committee of the Board of directors of the Company consisting of Mr. Vishnukumar Rathi (Chairman of the Committee), Mr. Hariprasad Malpani and Mr. Ragunathdas Somani has been constituted to administer 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
- Consolidation of Folios
- Shareholders requests for Dematerialisation of shares
- Shareholders requests for 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 Company has also prescribed code of conduct for prevention of Insider Trading and the same is being monitored by the aforesaid committee.

- > 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.

- Reviewing with the management, external and internal auditors the adequacy of internal control systems.
- 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.
- Discussion with internal auditors any significant findings and follow up there on.
- 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.
- Discussions 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.
- Reviewing the company's financial and risk management policies.
- 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."

The Audit Committee shall exercise the following additional powers:

- to investigate any activity within its terms of reference;
  - to seek information from any employee;
  - to obtain outside legal or other professional advice; and
  - to secure attendance of outsiders with relevant expertise, if it considers necessary.
- During the financial year under consideration, five meetings of the Committee were held on and 29/10/2003, 29/01/2004, 25/02/2004, 28/04/2004 & 29/07/2004. All the meetings held were attended by Mr. Subhash S Dayama, Mr. Lalchand Lalwani, Mr. Vishnukumar Rathi, Mr. Hariprasad Malpani and the Auditors of the Company.

**Compliance Officer**

Mr. Vinod Kumar Bohra, Company Secretary is the Compliance Officer.

**Share Transfer Details**

The number of Shares Transferred during the last financial year is given below:

	Equity
a Number of Transfers	24216
b Average No of Transfer per month	2018
c Number of Shares Transferred	715325

**Demat/Remat of Shares:**

Details of Shares Dematerialised/ Rematerialised during the last year is given below:

a. Number of Demat Transfers approved	70128
b. Number of Sub-committee Meetings held	39
c. Number of Shares Dematerialised	4872515
d. Percentage of Shares Dematerialised	6.84
e. Number of Remat requests approved	15
f. Number of Shares Rematerialised	1082

## VIDEOCON INTERNATIONAL LIMITED

### Details of Complaints received and redressed during the year 2003 - 04:

Sl. No.	Particulars	Received	Redressed	Pending as on 30.09.2004
1.	Non receipt of refund orders	Nil	Nil	Nil
2.	Non receipt of div/int/red warrants	1288	1284	4
3.	Non receipt of share certificates	3084	3079	5
4.	Others	1162	1162	Nil
	<b>Total</b>	<b>5534</b>	<b>5525</b>	<b>9</b>

### Note:

- All the 9 complaints pending were outstanding for less than 30 days as on 30<sup>th</sup> September, 2004 and have been subsequently redressed.
- Representatives of your company are continuously in touch with MCS Limited, Share Transfer Agents of the Company, and review periodically the outstanding complaints.

### General Body Meetings

#### a) Details of location, time and date of last three AGMs are given below:

AGM	AGM Date	Location	Time	No of Special Resolutions passed
16 <sup>th</sup> AGM	29.09.2001	Auto Cars Compound, Adalat Road, Aurangabad	09.00 a.m.	2
17 <sup>th</sup> AGM	27.03.2003	14 KM Stone, Aurangabad - Paithan Road, Village Chittegaon, Taluka Paithan, Aurangabad - 431 105	09.00 a.m.	—
18 <sup>th</sup> AGM	31.03.2004	14 KM Stone, Aurangabad- Paithan Road, Village Chittegaon, Taluka Paithan, Aurangabad - 431 105	09.30 a.m.	1

#### b) Postal Ballot:

Postal ballot was not conducted in any of the general body meetings held so far by the Company. Presently, the Company does not have any proposal for postal ballot.

### Disclosures

- Materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of company at large.  
There are no transactions, which may have potential conflicts with the interests of company at large. Transactions with related parties are disclosed in Note.No.10B of Schedule 14B to the Accounts in the Annual Report.
- Non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.  
NIL

### Means of Communication

The Un-audited Financial Results on quarterly basis subjected to Limited Review by the Auditors of the Company, are taken on record by the Board of Directors at its meeting within one month of the close of every quarter/half-year respectively and the same are furnished to all the Stock Exchanges where the Company's Shares are listed. The results are also published within 48 hours in two newspapers viz. Free Press Journal, English daily News Paper and Navshakti Regional Language Newspaper.

In terms of the requirements of Clause 51 of the Listing Agreement with the Stock Exchanges the Company also submits the following Statements, Information and reports on the Electronic Data Information Filing and Retrieval (EDIFAR) website maintained by National Informatics Centre (NIC), on-line, as and when they are submitted to the Stock Exchanges:

- Full version of Annual Report including the Balance Sheet, Profit and Loss Account, Directors' Report and Auditor's Report, Cash Flow Statement,
- Corporate Governance Report;
- Quarterly and Half Yearly Un-Audited Financial Statements taken on record by the Board of Directors of the Company;
- Shareholding Pattern
- Statement of Action taken against the Company by any regulatory authority (So far no such action has been taken by any regulatory authority against the Company)
- Such other Statement, information or reports as may be specified by SEBI from time to time in this regard.

The Reports, Statements of the Company are available for information of the investors at the web: [www.sebidifar.nic.in](http://www.sebidifar.nic.in).

### Management Discussion and Analysis Report:

Management Discussion and Analysis Report forms part of the Annual Report.

### General Shareholder Information

- Annual General Meeting  
The 19<sup>th</sup> Annual General Meeting will be held on March 31, 2005 at 12.00 noon a.m. at 14. K.M.Stone, Village Chitegaon, Taluka Paithan, Distt- Aurangabad (Maharastra) Pin: 431 105

- Financial Calendar

#### Financial Calendar for 2004-2005

Financial Year : October 1<sup>st</sup> 2004 To September 30<sup>th</sup> 2005

First Quarterly Result: Last Week of January 2005

Second Qtrly Result : Last Week of April 2005

Third Qtrly Result : Last Week of July 2005

Fourth Qtrly Result : Last Week of October 2005

Annual General Meeting for year ending September, 2005 : March, 2006.

- Date of Book Closure
- Dividend Payment Date
- Listing On Stock Exchanges

March 17, 2005 to March 31, 2005 (both days inclusive)

April 25, 2005 (Tentatively)

The equity shares of your company are listed on BSE, NSE, ASE, BGSE, CSE, MSE, DSE, PSE and VSE. The members of the Company has already approved delisting of equity shares of the Company from the Stock Exchanges of ASE, BGSE, CSE, MSE, DSE, PSE and VSE. Accordingly, the Company has applied for delisting to such stock exchanges and the application is under process with them. The company has paid Listing Fees for financial year 2004- 2005. The shares of the Company shall continued to be listed on the bourses of NSE and BSE. The names and addresses of the respective stock exchanges are given below:

#### Sl. Name and Address of the Stock Exchanges No.

- The Stock Exchange, Mumbai (BSE)  
1<sup>st</sup> Floor, New Trading Ring, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.
- National Stock Exchange of India Ltd (NSE)  
Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai - 400 051
- The Madras Stock Exchange Ltd. (MSE)  
Exchange Building, Post Box No.18311, Second Line Beach, Chennai - 600 001
- The Stock Exchange, Ahmedabad (ASE)  
Kamdhenu Complex, Opp. Sahajanand College Panjarapole, Ahmedabad - 380 001
- Bangalore Stock Exchange Ltd (BGSE)  
Stock Exchange Towers No.51, 1<sup>st</sup> Cross, J.C. Road, Bangalore - 560 052
- The Calcutta Stock Exchange Association Ltd. (CSE)  
7, Lyons Range Calcutta - 700 001
- Pune Stock Exchange Ltd.(PSE)  
Shivleela Chambers, 752, Sadashiv Peth R.B.Kumthekar Marg, Pune - 411 030
- Delhi Stock Exchange Association Ltd (DSE)  
3&4/4B Asraf Ali Road, New Delhi - 110 002
- Vadodara Stock Exchange Ltd (VSE)  
Fortune Tower, Sayajigunj, Vadodara - 390 005.

Stock Code at Mumbai Stock Exchange is: **500947**

Stock Code at National Stock Exchange is: **"VDOCONINTL"**.