



VIDEOCON

VIDEOCON INDUSTRIES LIMITED

17th

**Annual Report
2004-2005**

VIDEOCON INDUSTRIES LIMITED

BOARD OF DIRECTORS

Mr. Venugopal N. Dhoot	Chairman & Managing Director
Mr. Pradeepkumar N. Dhoot	Wholetime - Director
Mr. S. K. Shelgikar	
Mr. Kuldeep Drabu	
Mr. S. Padmanabhan	
Mr. S. C. N. Jatar	
Mr. A.L. Bongirwar	
Mr. S.P.Talwar	
Mr. Didier Trutt	Nominee - Thomson S.A.
Mr. Claes Johan Bygge	Nominee - AB Electrolux
Mr. Ajay Saraf	Nominee - ICICI Bank Ltd.
Mr. M. Chittaranjan Kumar	Nominee - IDBI Bank Ltd.

REGISTERED OFFICE

Auto Cars Compound,
Adalat Road, Aurangabad – 431 005
Maharashtra.

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

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.)

SOLICITORS

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

BANKERS

State Bank of India
Allahabad Bank
Bank of India
Bank of Maharashtra
Central Bank of India
ICICI Bank Ltd.
Indian Bank
Indian Overseas Bank
State Bank of Hyderabad
State Bank of Indore
State Bank of Mysore
State Bank of Patiala
The Federal Bank Ltd.
Union Bank of India
Vijaya Bank
Punjab National Bank

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

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NOTICE

NOTICE is hereby given that the Seventeenth Annual General Meeting of **VIDEOCON INDUSTRIES LIMITED** will be held on Friday, 31st March, 2006 at the Registered office of the Company at Auto Cars Compound, Adalat Road, Aurangabad - 431 005 at 9.30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at September 30, 2005, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. S K Shelgikar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. Khandelwal Jain & Co., Chartered Accountants and M/s. Kadam & Co., Chartered Accountants, be and are hereby appointed as Joint Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

SPECIAL BUSINESS

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

"RESOLVED THAT in accordance with the provisions of Section 255, 256, 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Maj Gen Sudhir Chintamani Nilkanth Jatar, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company subject to retirement by rotation under the provisions of the Articles of Association of the Company."

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

"RESOLVED THAT in accordance with the provisions of Section 255, 256, 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Mr. Kuldeep Drabu, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company subject to retirement by rotation under the provisions of the Articles of Association of the Company."

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

"RESOLVED THAT in accordance with the provisions of Section 255, 256, 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Mr. S Padmanabhan, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company subject to retirement by rotation under the provisions of the Articles of Association of the Company."

8. To consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 255, 256, 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Mr. Didier Trutt, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company subject to retirement by rotation under the provisions of the Articles of Association of the Company."

9. To consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 255, 256, 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Mr. Arun Laxman Bongirwar, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company subject to retirement by rotation under the provisions of the Articles of Association of the Company."

10. To consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 255, 256, 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Mr. Satya Pal Talwar, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company subject to retirement by rotation under the provisions of the Articles of Association of the Company."

11. To consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 255, 256, 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Mr. Claes Johan Bygge, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company subject to retirement by rotation under the provisions of the Articles of Association of the Company."

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, 311 and Subject to the provisions of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to such approvals as may be necessary, the Company hereby approve and confirm appointment of Mr. Pradeepkumar N Dhoot as a Whole Time Director of the Company designated as President, subject to retirement by rotation, for a period of Five Years from 20th November 2005 to 19th November 2010, on the terms and conditions expressly the remuneration payable to him in case of absence of profits in any year, as set out in the Draft Agreement between the Company and Mr. Pradeepkumar N Dhoot produced at this meeting and, for the purpose of identification initiated by the Chairman.

RESOLVED FURTHER THAT the terms of the said appointment as set out in the Draft Agreement 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 Mr. Pradeepkumar 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 be and is hereby authorized to take such steps as would be expedient or desirable to give effect to this resolution including obtaining approval of the Central Government, if so required.

RESOLVED FURTHER THAT Mr Pradeepkumar N Dhoot be and is hereby entrusted with powers as spelt out in the Draft Agreement placed before the meeting, and such other powers as may from time to time be delegated/conferred upon by the Board of Directors and/or Managing Director.

RESOLVED FURTHER THAT the agreement for appointment of Mr Pradeepkumar N Dhoot, as a Whole Time Director as placed before the meeting, be and is hereby confirmed.

RESOLVED FURTHER THAT in the event of any statutory amendment or modification in the provisions relating to the payment of remuneration to the managerial persons or to Schedule XIII to the Companies Act, 1956, the Board of Directors, be and are hereby authorized to vary or increase the remuneration including salary, commission, perquisites, etc., within such prescribed limits, as the Board may deem fit.

AND RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps expedient or desirable to give effect to this resolution."

13. To consider and if thought fit, to pass, with or without modification(s) 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. 3,000,000,000/- (Rupees Three Hundred Crores only) divided into 300,000,000 (Thirty Crores) Equity Shares of Rs.10/- (Rupees Ten Only) each to Rs. 6,000,000,000 (Rupees Six Hundred Crores only) divided into 500,000,000 (Fifty Crores) Equity Shares of Rs. 10/- (Rupees Ten Only) each by creating 200,000,000 (Twenty Crores) additional equity shares of Rs.10/- (Rupees Ten Only) each and 10,000,000 (One Crore) Preference Shares of Rs. 100/- (Rupees One Hundred Only) each.

RESOLVED FURTHER THAT 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. 6,000,000,000 (Rupees Six Hundred Crores only) divided into 500,000,000 (Fifty Crores) Equity Shares of Rs. 10/- (Rupees Ten Only) each and 10,000,000 (One Crore) 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, 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, 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"

14. To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution:

"RESOLVED THAT in accordance with the provisions of Section 81, 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof, for the time being in force), and enabling provisions in the Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to the necessary approval, if any, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board") to issue Equity Shares, or instruments convertible into equity in any form such as American Depository Receipts and/or Global Depository Receipts and/or Foreign Currency Convertible Bonds and/or Equity Shares through Prospectus/Letter of offer or Circular and/or on Private Placement basis or on Preferential basis or on Rights basis or any combination thereof, (hereinafter referred to as "the Securities") for a sum of face value of Rs. 200 Crores (Rupees Two Hundred Crores Only) exclusive of premium, as the Board may at its discretion deem fit, in one or more tranches, if any, as may be decided / agreed to by the Board at their discretion, to such person / persons, whether or not shareholders of the Company, as the Board may at its absolute discretion deem fit, in one or more combination thereof, in such manner and at such time as Board may determine.

VIDEOCON INDUSTRIES LIMITED

RESOLVED FURTHER THAT such of these Securities issued as are not subscribed may be disposed of by the Board, to such persons and in such manner and on such terms as the Board may in its absolute discretion think most beneficial to the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to further issue, allotment and utilization of proceeds of issue and further to do all such acts, deeds, matters and things and to finalise and execute all such deeds, documents and writing as may be necessary, desirable as it may deem fit.

RESOLVED FURTHER THAT the Board be and is also authorized at its discretion, to further authorize any of the members of the Board or a committee thereof, to do all the necessary acts and take necessary steps that may be required for execution of the above resolution."

15. To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution:

"RESOLVED THAT in accordance with the provisions of Section 80, 81, 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof, for the time being in force), and enabling provisions in the Memorandum and Articles of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to necessary approvals, if any, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board") to issue Preference Shares through Prospectus/Letter of offer or Circular and/or on Private Placement basis or on Preferential basis or on Rights basis or any combination thereof, (hereinafter referred to as "the Securities") for such sum of Rs. 100 Crores (Rupees One Hundred Crores Only) as the Board may at its discretion deem fit, in one or more tranches, exclusive of Premium, if any, as may be decided / agreed to by the Board at their discretion, to such person / persons in such manner and at such time as Board may determine.

RESOLVED FURTHER THAT the Board be and is hereby authorized, on or before redemption of the Preference Shares issued pursuant to this resolution, to issue fresh shares up to the nominal amount of the Shares redeemed or about to be redeemed, as if those shares had never been issued to persons and in the manner and on terms referred to herein above.

RESOLVED FURTHER THAT such of these Securities issued as are not subscribed may be disposed of by the Board, to such persons and in such manner and on such terms as the Board may in its absolute discretion think most beneficial to the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to further issue, allotment and utilization of proceeds of issue and further to do all such acts, deeds, matters and things and to finalise and execute all such deeds, documents and writing as may be necessary, desirable as it may deem fit.

RESOLVED FURTHER THAT the Board is also hereby authorized at its discretion, to further authorize any of the members of the Board or a committee thereof, to do all the necessary acts and take necessary steps that may be required for execution of the above resolution."

16. To consider and if thought fit to pass with or without modification the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 31, 259, 640-B, and other applicable provisions, if any of the Companies Act, 1956 and subject to approval of the Central Government and other authorities, Article 110 of Articles of Association of the Company specifying the Minimum and Maximum Number of Directors of the Company be and is hereby altered to increase the maximum number of Directors of the Company from Twelve to Eighteen.

RESOLVED FURTHER THAT Articles 110 of the Articles of Association of the Company be altered accordingly to read as under:

110. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors shall not be less than three or more than Eighteen.

RESOLVED FURTHER THAT copies of Articles of Association of the Company be altered accordingly.

RESOLVED FURTHER THAT Any one of the Directors of the Company and the Company Secretary of the Company be and are hereby severally authorized to file necessary Applications/ Forms/ Returns/Documents/ Papers as are required to be filed with the Central Government/Office of the Registrar of Companies, Maharashtra, and other authorities as are required and to do all such acts, deeds and things as are deemed necessary and to give effect to this resolution."

By order of the Board of Directors

Parag A Inamdar
Company Secretary

Mumbai,
February 28, 2006
Registered Office:
Autocars Compound,
Adalat Road,
Aurangabad - 431 005

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE COMMENCEMENT OF THE MEETING.
2. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
3. In terms of the Articles of Association of the Company, Maj Gen S C N Jatar, Mr S P Talwar, Mr Arun Bongirwar, Mr Kuldeep Drabu, S Padmanabhan, Mr. Didier Trutt & Mr. Claes Johan Bygge are being appointed as Director and Mr Pradeepkumar N Dhoot is being appointed as a Whole Time Director. Further, Mr S K Shelgikar, is being re-appointed as Director being eligible for re-appointment. Brief resume of these Directors, nature of their expertise in specific functional areas and names of companies in which they hold directorship and membership/chairmanship of Board Committees, as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges in India, is enclosed to the notice. The Board of Directors of the Company recommends the respective re-appointments of the aforesaid Directors.
4. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Board Meeting is annexed hereto.
5. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice are open for inspection at the Registered office of the Company on all working days, except Saturdays, between 12 Noon to 2.00 PM upto the date of the Meeting.
8. The Register of Members and Share Transfer Books shall be closed from Saturday, March 18, 2006 to Friday, March 31, 2006 for determining the names of Members eligible for dividend on Equity Shares, if declared at the Meeting. The Dividend on Equity Shares, if declared at the Meeting will be paid on or around 25th April, 2006 to those Members whose names appeared on the Company's Register of Members on Friday March 17, 2006. In respect of shares held in dematerialized form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by depositories as at the end of business on Friday, March 17, 2006.
9. Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, the Company has transferred the unclaimed dividends for the financial years 1995-1996 to the Investor Education and Protection Fund (Fund) established by the Central Government. The Company has not declared any dividend thereafter. The erstwhile Videocon International Limited has transferred the unclaimed dividends for the financial years 1997-1998 to the Investor Education and Protection Fund(Fund) established by the Central Government. Dividends for the financial year ended 1998-1999 and thereafter, which remain unclaimed for a period of 7 years will be transferred by the Company to Investor Education and Protection Fund. Members who have not encashed dividend warrant(s) for the aforesaid years are requested to seek issue of duplicate warrant(s) by writing to the Company's Registrars and Transfer Agents, M/s. MCS Limited. Members are requested to note that no claims shall lie against the Company or IEPF in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates they first became due for payment and no payment shall be made in respect of any such claims.
10. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order or names are requested to send the share certificates to the Company's Register and Transfer Agents, M/s. MCS Limited, for consolidation into a single folio.
11. The shares of the company are tradeable compulsorily in electronic form and your company has established connectivity with both the depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). In view of the enormous advantages offered by the Depository system, Members are requested to avail the facility of dematerialization of the company's shares on either of the depositories as aforesaid.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**ITEM NO. 5**

The Board of Directors of the Company ("the Board"), at its meeting held on June 1, 2005 has, pursuant to the provisions of Section 260 of the Companies Act, 1956 (the Act) and Articles of Association of the Company appointed Maj Gen S C N Jatar as an Additional Director of the Company.

In terms of the provisions of Section 260 of the Act, Maj Gen S C N Jatar holds office upto the date of ensuing Annual General Meeting. The Company has received a notice in writing from a member alongwith a deposit of Rs. 500 proposing the candidature of Maj Gen S C N Jatar for the office of Director of the Company under the provisions of Section 257 of the Act.

Maj Gen S C N Jatar is a consultant and has to his credit significant experience in the fields of petroleum and energy. Keeping in view his rich expertise, it will be in the interest of the Company that Maj Gen S C N Jatar is appointed as a Director, liable to retire by rotation in accordance with the provisions of the Articles of Association of the Company.

Save and except Maj Gen S C N Jatar none of the other Directors of the Company is, in any way, concerned or interested in the Resolution set out at Item No.5 of the Notice. The Board recommends the Resolution set out at Item No.5 of the Notice for your approval.

ITEM NO. 6

The Board of Directors of the Company ("the Board"), at its meeting held on June 1, 2005 has, pursuant to the provisions of Section 260 of the Companies Act, 1956 (the Act) and Articles of Association of the Company appointed Mr Kuldeep Drabu as an Additional Director of the Company. On 19th November 2005 Mr. Kuldeep Drabu was appointed as Executive Director of the Company. Subsequently, he ceased to be Executive Director.

In terms of the provisions of Section 260 of the Act, Mr Kuldeep Drabu holds office upto the date of ensuing Annual General Meeting. The Company has received a notice in writing from a member alongwith a deposit of Rs. 500 proposing the candidature of Mr. Kuldeep Drabu for the office of Director of the Company under the provisions of Section 257 of the Act.

Mr Kuldeep Drabu is a commerce graduate as well as a member of the Institute of Chartered Accountants of India and a Bachelor of Law. He has over 18 years of experience in financial, monetary and legal matters. It will therefore be in the Company's interest to appoint Mr Kuldeep Drabu as a Director, liable to retire by rotation in accordance with the provisions of the Articles of Association of the Company.

Save and except Mr. Kuldeep Drabu none of the other Directors of the Company is, in any way, concerned or interested in the Resolution set out at Item No.6 of the Notice. The Board recommends the Resolution set out at Item No.6 of the Notice for your approval.

ITEM NO. 7

The Board of Directors of the Company ("the Board"), at its meeting held on June 1, 2005 has, pursuant to the provisions of Section 260 of the Companies Act, 1956 (the Act) and Articles of Association of the Company appointed Mr S Padmanabhan as an Additional Director of the Company.

In terms of the provisions of Section 260 of the Act, Mr S Padmanabhan holds office upto the date of ensuing Annual General Meeting. The Company has received a notice in writing from a member alongwith a deposit of Rs. 500 proposing the candidature of Mr. S Padmanabhan for the office of Director of the Company under the provisions of Section 257 of the Act.

Mr S Padmanabhan, a retired I.A.S. officer, has held various senior positions in both the Central and State Governments. He has a diploma in Overseas Development Studies from the University of Cambridge, and a diploma in Managerial Accounting. He has held senior posts in the private sector as well.

The Company will be greatly benefited if Mr S Padmanabhan is appointed as a Director, liable to retire by rotation in accordance with the provisions of the Articles of Association of the Company.

Save and except Mr. S Padmanabhan none of the other Directors of the Company is, in any way, concerned or interested in the Resolution set out at Item No.7 of the Notice. The Board recommends the Resolution set out at Item No.7 of the Notice for your approval.

ITEM NO. 8

The Board of Directors of the Company ("the Board"), at its meeting held on October 29, 2005 has, pursuant to the provisions of Section 260 of the Companies Act, 1956 (the Act) and Articles of Association of the Company appointed Mr Didier Trutt as an Additional Director of the Company nominated by Thomson S.A.

In terms of the provisions of Section 260 of the Act, Mr Didier Trutt holds office upto the date of ensuing Annual General Meeting. The Company has received a notice in writing from a member alongwith a deposit of Rs. 500 proposing the candidature of Mr. Didier Trutt for the office of Director of the Company under the provisions of Section 257 of the Act.

Mr Didier Trutt is a French National. He graduated from the Ecole Nationale Supérieure d'Ingenieurs de Saint Etienne in 1983. He has held various positions in different Thomson companies since 1984. He is Senior Executive Vice - President for displays in Thomson S.A. The Company could draw on his vast experience by appointing him as a Director, liable to retire by rotation in accordance with the provisions of the Articles of Association of the Company.

Save and except Mr. Didier Trutt none of the other Directors of the Company is, in any way, concerned or interested in the Resolution set out at Item No.8 of the Notice. The Board recommends the Resolution set out at Item No.8 of the Notice for your approval.

ITEM NO. 9

The Board of Directors of the Company ("the Board"), at its meeting held on December 8, 2005 has, pursuant to the provisions of Section 260 of the Companies Act, 1956 (the Act) and Articles of Association of the Company appointed Mr. Arun Bongirwar as an Additional Director of the Company.

In terms of the provisions of Section 260 of the Act, Mr. Arun Bongirwar holds office upto the date of ensuing Annual General Meeting. The Company has received a notice in writing from a member alongwith a deposit of Rs. 500 proposing the candidature of Mr. Arun Bongirwar for the office of Director of the Company under the provisions of Section 257 of the Act.

Mr. Arun Bongirwar is Chairman of the Tariff Authority of Major Ports. A member of the Indian Administrative Service, he has over 30 year's experience in government. His multifaceted expertise, will be of immense value to the Company. It will be in the Company's interest to appoint him as a Director, liable to retire by rotation in accordance with the provisions of the Articles of Association of the Company.

Save and except Mr. Arun Bongirwar none of the other Directors of the Company is, in any way, concerned or interested in the Resolution set out at Item No.9 of the Notice. The Board recommends the Resolution set out at Item No.9 of the Notice for your approval.

ITEM NO. 10

The Board of Directors of the Company ("the Board"), at its meeting held on December 8, 2005 has, pursuant to the provisions of Section 260 of the Companies Act, 1956 (the Act) and Articles of Association of the Company appointed Mr. Satya Pal Talwar as an Additional Director of the Company.

In terms of the provisions of Section 260 of the Act, Mr S P Talwar holds office upto the date of ensuing Annual General Meeting. The Company has received a notice in writing from a member alongwith a deposit of Rs. 500 proposing the candidature of Mr S P Talwar for the office of Director of the Company under the provisions of Section 257 of the Act.

A former Deputy Governor of the Reserve Bank of India, Mr S P Talwar, is a member of the Indian Council of Arbitration and a certified associate of the Indian Institute of Bankers. He has over 40 years of operational and policy experience in commercial and central banking.

It will therefore in the interest of the Company that Mr S P Talwar is appointed as a Director, liable to retire by rotation in accordance with the provisions of the Articles of Association of the Company.

Save and except Mr. S P Talwar, none of the other Directors of the Company is, in any way, concerned or interested in the Resolution set out at Item No.10 of the Notice. The Board recommends the Resolution set out at Item No.10 of the Notice for your approval.

ITEM NO. 11

The Board of Directors of the Company ("the Board"), at its meeting held on January 17, 2006 has, pursuant to the provisions of Section 260 of the Companies Act, 1956 (the Act) and Articles of Association of the Company appointed Mr Cleas Johan Bygge as an Additional Director of the Company nominated by AB Electrolux.

In terms of the provisions of Section 260 of the Act, Mr Cleas Johan Bygge holds office upto the date of ensuing Annual General Meeting. The Company has received a notice in writing from a member alongwith a deposit of Rs. 500 proposing the candidature of Mr. Cleas Johan Bygge for the office of Director of the Company under the provisions of Section 257 of the Act.

Mr Cleas Johan Bygge is a Swedish national and Senior Executive Vice President of AB Electrolux. He holds a master's degree in Economics and has held a variety of senior positions with Electrolux since joining the company in 1987. He has extensive experience in the consumer appliances and electronics industry and was previously Deputy Group Controller at Telefonaktiebolaget LM Ericsson and head of Cash Management.

In view of his rich expertise, it will be in the interest of the Company that Mr Cleas Johan Bygge is appointed as a Director, liable to retire by rotation in accordance with the provisions of the Articles of Association of the Company.

Save and except Mr. Cleas Johan Bygge none of the other Directors of the Company is, in any way, concerned or interested in the Resolution set out at Item No.11 of the Notice. The Board recommends the Resolution set out at Item No.11 of the Notice for your approval.

ITEM NO. 12

In terms of the provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII of the Companies Act, 1956, the Board of Directors at their meeting appointed Mr Pradeepkumar N Dhoot as a Whole Time Director of the Company for a period of Five Years from 20th November 2005 to 19th November 2010.

Mr P N Dhoot is entrusted with power as per the draft agreement being place before the meeting and, power to perform such function as may from time to time be delegated / conferred by the Board of Directors and/or Managing Director. The Draft Agreement is available for inspection at the Registered Office of the Company on all working days, except Saturdays, between 12 Noon to 2.00 PM upto the date of the Meeting

The Board of Directors of the Company is of the opinion that his appointment as Whole Time Director designated as President will be of immense help in the growth and development of the Company. In terms of the provisions of Section 269 read with Schedule XIII of the Companies Act, 1956, consent of the members is required by passing a Ordinary Resolution at the general body meeting, with in a period of Twelve Months from the date of appointment.

None of the Directors except Mr. P. N. Dhoot and Mr. V. N. Dhoot, Chairman & Managing Director of the Company are interested in this resolution.

ITEM NO. 13

In terms of the Scheme of Amalgamation sanctioned by the Hon'ble High Court of Bombay vide Order dated 6th May, 2005, Petrocon India Limited has been merged with the Company w.e.f. 31st March, 2004. The scheme has become effective on 7th June 2005. Further in terms of the Scheme of Amalgamation sanctioned by the Hon'ble High Court of Bombay vide Order dated 25th November, 2005, Videocon International Limited has been merged with the Company w.e.f. 31st December, 2004. The scheme has become effective on 7th December 2005.

The amalgamation of Petrocon India Limited has resulted in all of the assets and liabilities of Petrocon India Limited being transferred to the Company and resulted in the Company acquiring Oil and gas extraction business since Petrocon India Limited was in business of oil and gas extraction through the Ravva Joint Venture in which the company own 25 percent interest. Further, the amalgamation of Videocon International Limited with Company has resulted in all the assets and liabilities of Videocon International Limited being transferred to the Company and resulted in the Company acquiring Consumer Electronics and Home Appliances product business. The consumer electronics and household appliances business comprises the manufacturing and distribution of consumer electronics products, including finished goods such as colour and black and white CRT TVs and home entertainment systems, and TV components such as glass shell (panels and funnels) and CPTs and household appliances including refrigerators, washing machines, air conditioners and small appliances.

During the year under review, Eagle Corporation Limited, an Offshore Special Purpose Vehicle in which the erstwhile Videocon International Limited held 19% equity stake acquired the Global CPT business from Thomson S.A having CPT manufacturing facilities in Poland, Italy, Mexico and China along with support Research and Development facilities. Subsequently, on 13th December 2005, the Company acquired the balance 81% equity stake in Eagle Corporation Limited thereby making it a Wholly Owned Subsidiary.

In view of the enhancement in the volume of activities and proposed business strategy, the Company may have to augment its capital base for incremental requirement of funds.

VIDEOCON INDUSTRIES LIMITED

The present authorized capital of the company is Rs. 300 crores, divided into 300,000,000 Equity Shares of the Company. Further, in terms of Scheme of Amalgamation of Videocon International Limited with the Company Preference Shareholders of erstwhile Videocon International Limited shall be allotted One Preference Share of Rs. 100/- each credited as fully paid-up in Videocon Industries Limited for each Preference Share held by them in Videocon International Limited on the same terms and conditions as that of the Preference Shares in erstwhile Videocon International Limited, with the maturity date remaining the same. Hence, it is proposed to increase the Authorised Capital 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. 14

In terms of the Scheme of Amalgamation sanctioned by the Hon'ble High Court of Bombay vide Order dated 25th November, 2005, Videocon International Limited has been merged with the Company w.e.f. 31st December, 2004. The scheme has become effective on 7th December 2005. Pursuant to the said Scheme, the Company has allotted 14,242,488 Equity Shares to the shareholders of erstwhile Videocon International Limited.

As a result of amalgamation, the Company expects further requirement of funds to support the consolidated activities. Also, as a prudent policy, the company has plans to repay the high cost debts in the post amalgamation period. For mobilizing funds required to meet these purposes, the company proposes to raise further capital at an appropriate time.

In view of this, the company may issue Equity Shares, or instruments convertible into equity in any form such as American Depository Receipts and/or Global Depository Receipts and/or Foreign Currency Convertible Bonds and/or Equity Shares through Prospectus/Letter of offer or Circular and/or on Private Placement basis or on Preferential basis or on Rights basis or any combination thereof at such time as the Board of Directors of the Company may determine.

Further, The Company has given an undertaking to Bombay Stock Exchange Limited and National Stock Exchange of India Limited to comply with SEBI (DIP) Guidelines with regard to increase in non-promoters' holding upto 25% on or before 5th October, 2006. In view of this, the Board may decide to go in for further issue of capital.

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.

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. As such, the consent of the members is sought to issue further equity 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 of Equity shares and/or Global Depository Receipt in the International Market.

The 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 American Depository Receipts/Global Depository Receipts in International Market and/or issue equity shares on preferential basis or through prospectus or through Letter of Offer either on Private Placement basis or preferential basis or Public issue or Rights Issue, at such terms and conditions, including premium to be charged, if any, and at such time and in such number of tranches, as they may feel appropriate.

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. 15

In terms of the Scheme of Amalgamation sanctioned by the Hon'ble High Court of Bombay vide Order dated 25th November, 2005, Videocon International Limited has been merged with the Company w.e.f. 31st December, 2004. The scheme has become effective on 7th December 2005. In terms of the Scheme, Preference Shareholders of erstwhile Videocon International Limited shall be allotted One Preference Share of Rs. 100/- each credited as fully paid-up in Videocon Industries Limited for each Preference Share held by them in erstwhile Videocon International Limited on the same terms and conditions as that of the Preference Shares in erstwhile Videocon International Limited, with the maturity date remaining the same.

The Company has fixed 16th January 2006 as Record Date for determining the Preference Shareholders' entitled for allotment of Preference Shares of Videocon Industries Limited, pursuant to the Scheme of Amalgamation, as sanctioned by the Hon'ble High Court.

The present authorised share capital does not include the preference shares. Pursuant to the scheme of amalgamation of Videocon International Limited with Videocon Industries Limited, the company will have to issue preference shares to the preference shareholders of the amalgamated company. In view of this it is proposed to increase Authorised Share Capital of the Company by creating additional 1,00,00,000 Preference Shares of Rs. 100/- each. Further, the Company may at appropriate time determine the issuance of Preference Shares.

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.

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.

In view of the above, the consent of the members is sought to issue preference 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 of Preference shares.

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 or preferential basis or Public issue or Rights Issue, at such terms and conditions, including premium to be charged, if any, and at such time and in such number of tranches, as they may feel appropriate.

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. 16

Presently the Board of Directors comprise of Twelve Directors. In terms of Clause 49 of the Listing Agreement with the Stock Exchange(s), where Board of Directors of the Company have Executive Chairman, at least half of the Board should comprise of Independent directors.

In order to bring on board more area-specific directorial expertise, it is proposed to enhance the composition of the Board of Directors in the near future. While, Article 110 of the Articles of Association allows appointment of not more than 12 directors, the Company may receive Nomination by Institutions/Lenders, whereby the present provisions in the Articles of Associations may be in-adequate.

The proposed alteration in the Articles of Association will enable the Company to appoint eminent persons on the Board of Directors of the Company in addition to the exiting Directors. In terms of Section 31, read with Section 259 and Section 640-B approval of the members is required by passing a Special Resolution and approval of Central Government is required for propose alteration in the Articles of Association of the Company authorizing the Company to appoint Eighteen directors in place of existing power to appoint Twelve Directors.

The consent of the members is sought by passing a Special Resolution for proposed alteration in the Articles of Association of the Company.

None of the directors is directly or indirectly concerned or interested in this resolution.

By order of the Board of Directors

Parag A Inamdar
Company Secretary

Mumbai,
February 28, 2006

Registered Office:
Autocars Compound,
Adalat Road,
Aurangabad - 431 005

Brief resume of Directors being appointed/re-appointed, nature of their expertise in specific functional areas and names of companies in which they hold directorship and membership/Chairmanship of Board Committees, as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges in India, is as under:

1. Brief Profile of Mr. S K Shelgikar:

1 Name of the Director	Mr. S K Shelgikar
2 Date of Birth	07.04.1955
3 Education Qualification	FCA
4 Date of Appointment on the Board	22 nd March 2003
5 Category of Director	Non Executive - Non Independent
6 Area of Expertise/Senior Position Held/Work Experience	Diversified experience in the fields of finance and has been a corporate finance advisor to the board of directors of erstwhile Videocon International Limited for many years. He has edited and contributed to a number of books on finance and company law.
7 Names of other Directorships in Public Limited Company	Nil
8 Names of committees in which Chairman	Nil
9 Names of Committees in which Member	Videocon Industries Limited (Shareholders Committee)
10 Number of Shares held	1,478

2. Brief Profile of Maj Gen S C N Jatar:

1 Name of the Director	Maj Gen S C N Jatar
2 Date of Birth	03.09.1932
3 Education Qualification	BE (Civil), FIE, MICA, Qualified at the Defence Services Staff College
4 Date of Appointment on the Board	01.06.2005
5 Category of Director	Non Executive – Independent
6 Area of Expertise/Senior Position Held/Work Experience	<p>He is presently:</p> <ul style="list-style-type: none"> ➤ Consultant to ICICI Bank Limited (Upstream operations, Oil & Natural Gas) ➤ Member, Arbitration Panel of the Institutions of Engineers ➤ Member, Steering Committee of National Gas Hydrates Programme, ➤ Member, Indian Council of Arbitration ➤ President, Nagrik Chetna Manch, ➤ Founder Member, Initiative for Peace & Disarmament ➤ Associate, Security & Political Risk Analysis SAPRA India Foundation ➤ Member, Senate, University of Pune <p>He has served on various positions as hereunder:</p> <ul style="list-style-type: none"> ➤ Consultant, Hindustan Petroleum Corporation Limited ➤ Project Advisor, Standing Conference of Public Enterprises, ➤ Member, Governing Board, Pune Stock Exchange, ➤ Managing Director, Garware Shipping Corporation Limited, ➤ President (Co-ordination) RPG Petrochem Ltd ➤ Chairman, Standing Conference of Public Enterprises ➤ Chairman & MD, ONGC Videsh Ltd ➤ President, Petroleum Sports Control Board ➤ Chairman & MD and Resident Chief Executive, Oil India Limited ➤ Served with Indian Army He held vast Army Profile to his credit.
7 Names of other Directorships in Public Limited Company	Prize Petroleum Limited
8 Names of committees in which Chairman	Videocon Industries Limited (Shareholders Committee) and (Remuneration Committee)
9 Names of Committees in which Member	Videocon Industries Limited - (Audit Committee) Prize Petroleum Limited (Audit Committee)
10 Number of Shares held	Nil

3. Brief Profile of Mr. Kuldeep Drabu:

1 Name of the Director	Mr. Kuldeep Drabu
2 Date of Birth	13.09.1958
3 Education Qualification	FCA, LLB
4 Date of Appointment on the Board	01.06.2005
5 Category of Director	Non Executive – Non Independent
6 Area of Expertise/Senior Position Held/Work Experience	Over 18 years of experience in financial, monetary and legal fields.
7 Names of other Directorships in Public Limited Company	Dhoot Securities Limited Videocon Power Limited Videocon Energy Holdings Limited
8 Names of committees in which Chairman	Nil
9 Names of Committees in which Member	Videocon Power Limited (Audit Committee)
10 Number of Shares held	5,000

4. Brief Profile of Mr. S Padmanabhan:

1 Name of the Director	Mr. S Padmanabhan
2 Date of Birth	01 st September, 1939
3 Education Qualification	I.A.S., 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	01.06.2005
5 Category of Director	Non Executive - Independent

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 Rehabilitation
- 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 – 4 ½ 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 Names of other Directorships in Public Limited Company

1. Videocon Communications Limited
2. Kitchen Appliances India Limited
3. Applicomp India Limited
4. Videocon Power Limited
5. Desai Brothers Limited
6. Asian Electronics Limited
7. Premier Automobiles Limited.
8. Sudarshan Chemical Industries Ltd
9. Videocon Properties Limited
10. Videocon VCR Securities Limited
11. Videocon Energy Holdings Limited

8 Names of committees in which Chairman

Videocon Industries Limited (Audit Committee)

9 Names of Committees in which Member

1. Videocon Communications Ltd (Audit & Shareholders Committee)
2. Applicomp (India) Limited (Audit Committee)
3. Videocon Power Limited (Audit Committee)
4. Kitchen Appliances India Limited (Audit Committee)
5. The Premier Automobiles Ltd (Audit Committee)
6. The Premier Automobiles Ltd (Whole Time Directors' Remuneration)
7. Asian Electronics Ltd (Audit Committee)
8. Videocon Industries Limited (Shareholders Committee)
9. Videocon Properties Limited (Audit Committee)

10 Number of Shares held

203

5. Brief Profile of Mr. Arun Laxman Bongirwar:

1 Name of the Director	Mr. Arun Laxman Bongirwar
2 Date of Birth	18.05.1943
3 Education Qualification	I.A.S., M.Sc
4 Date of Appointment on the Board	8 th December, 2005
5 Category of Director	Non Executive - Independent
6 Area of Expertise/Senior Position Held/Work Experience	<p>He is presently Chairman of Tariff Authority for Major Ports (Ministry of Shipping, Government of India), Mumbai</p> <p>He has held various positions as hereunder in past:</p> <ul style="list-style-type: none"> ➤ Chairman, Jawaharlal Nehru Port Trust (Ministry of Shipping, Govt. of India), Mumbai ➤ Chief Secretary, Govt. of Maharashtra ➤ Addl Chief Secretary (Revenue), Govt. of Maharashtra ➤ Principal Secretary (and later Addl Chief Secretary) to Chief Minister, Govt. of Maharashtra ➤ Principal Secretary (Industries), Govt. of Maharashtra ➤ Development Commissioner, Santacruz Electronic Export Processing Zone (SEEPZ), Mumbai ➤ Divisional Commissioner, Konkan, Maharashtra ➤ Secretary to Chief Minister of Maharashtra, Govt. of Maharashtra ➤ Divisional Commissioner, Pune ➤ Divisional Commissioner, Aurangabad ➤ Municipal Commissioner, Pune ➤ Collector, Nagpur & Osmanabad

VIDEOCON INDUSTRIES LIMITED

	<ul style="list-style-type: none"> Jt. Managing Director and then Managing Director of Maharashtra Small Scale Industries Development Corporation. Also Managing Director of Leather Industries Development Corporation, Mumbai Deputy Secretary (Industries & Labour), Govt. of Maharashtra Chief Executive Officer, Zilla Parishad, Wardha
7 Names of other Directorships in Public Limited Company	1. Maharashtra Airport Development Co 2. Wanbury India Limited
8 Names of committees in which Chairman	Nil
9 Names of Committees in which Member	Wanbury India Limited (Audit Committee) Videocon Industries Limited (Audit Committee)
10 Number of Shares Held	Nil

6. Brief Profile of Mr. Satya Pal Talwar

1 Name of the Director	Mr. Satya Pal Talwar
2 Date of Birth	14.06.1939
3 Education Qualification	Certified Associate of the Indian Institute of Bankers Member, Indian Council of Arbitration
4 Date of Appointment on the Board	08.12.2005
5 Category of Director	Independent Director
6 Area of Expertise/Senior Position Held/Work Experience	<p>He Carries with him forty years of operational and policy formulation experience in Commercial and Central Banking. He has served on following positions:-</p> <ul style="list-style-type: none"> Chairman, RBI Services Board, Reserve Bank of India, Mumbai Chairman, Advisory Board for Banking, Commercial & Financial Frauds (appointed by Central Vigilance Commissioner of Government of India) Deputy Governor, Reserve Bank of India Chairman & Managing Director, Bank of Baroda Chairman & Managing Director, Union Bank of India Chairman & Managing Director, Oriental Bank of Commerce. <p>Other Positions Held:</p> <ul style="list-style-type: none"> Chairman, Indian Banks Association (IBA) Director, Securities and Exchange Board of India Director, Industrial Development Bank of India Director, Small Industries Development Bank of India Director, Oriental Insurance Company Director, Agricultural Finance Corporation Limited Director, IDBU International Finance Limited, Hongkong Director, Master Card International, Asia Pacific Regional Board, Singapore <p>He is presently Senior Advisor, YES Bank Limited</p>
7 Names of other Directorships in Public Limited Company	1. Reliance Life Insurance Company Limited 2. Reliance Capital Trustee Company Limited 3. Reliance General Insurance Company Limited 4. Crompton Greaves Limited 5. Vemagiri Power Generation Limited 6. Reliance Communication Ventures Limited 7. Reliance Capital Ventures Limited
8 Names of committees in which Chairman	Nil
9 Names of Committees in which Member	Videocon Industries Limited – Remuneration Committee Reliance Life Insurance Company Limited – Audit Committee Reliance General Insurance Company Limited – Audit Committee Crompton Greaves Limited – Audit Committee Reliance Capital Ventures Limited – Audit Committee.
10 Number of Shares held	Nil

7. Brief Profile of Mr. Didier Trutt

1 Name of the Director	Mr. Didier Trutt
2 Date of Birth	20.02.1960
3 Education Qualification	Graduate from l'Ecole Nationale Supérieure de Saint Etienne,
4 Date of Appointment on the Board	29 th October 2005
5 Category of Director	Non Executive (Nominee – Thomson S.A)
6 Area of Expertise/Senior Position Held/Work Experience	Joined Thomson in 1984. From 1987 to 1994, based in Asia, he was responsible for Thomson Television Thailand, and

	<p>General Manager of Television and Video activities for all industrial sites in South East Asia.</p> <p>Between 1994 and 1999, he was in charge of all European operations for Television and Video activities.</p> <p>Appointed in 1999 Tubes Operations Vice President, he was in charge of the whole industrial and sales activities for Europe and Asia first, then for the worldwide activities.</p> <p>He was appointed "Executive Vice President" in July 2003, in charge of Tubes and Components activities.</p> <p>He is Senior Executive Vice President and Chief Operating Officer, Thomson.</p> <p>Since 1992, Didier Trutt has been Foreign Trade Adviser of France</p>
7 Names of other Directorships in Public Limited Company	Nil
8 Names of committees in which Chairman	Nil
9 Names of Committees in which Member	Nil
10 Number of Shares held	Nil

8. Brief Profile of Mr. Claes Johan Bygge

1 Name of the Director	Mr. Claes Johan Bygge
2 Date of Birth	23.05.1956
3 Education Qualification	Master in Economics
4 Date of Appointment on the Board	17 th January, 2006
5 Category of Director	Non Executive (Nominee-AB Electrolux)
6 Area of Expertise/Senior Position Held/Work Experience	<p>Mr. Claes Johan Bygge is Senior Executive Vice President at AB Electrolux.</p> <p>He was previously Deputy Controller, Telefonaktiebalaget LM Ericsson. He Joined AB Electrolux in 1987 as Group Controller. He has served on various position in AB Electrolux such as Head of Group Controlling, Accounting, Taxes, Auditing, Administration and IT, Treasurer, Head of Consumer Outdoor products outside North America, Executive Vice President, Head of Major Appliances outside Europe and North America, Senior Executive Vice President, Head of Major Appliances, Europe. He is Board Member of First Swedish National Pension Fund and The Bank of Sweden Tercentenary Foundation.</p>
7 Names of other Directorships in Public Limited Company	Nil
8 Names of committees in which Chairman	Nil
9 Names of Committees in which Member	Nil
10 Number of Shares held	Nil

9. Brief Profile of Mr. Pradeepkumar N Dhoot

1 Name of the Director	Mr. Pradeepkumar N Dhoot
2 Date of Birth	22 nd March 1960
3 Education Qualification	Commerce Graduate
4 Date of Appointment on the Board	16 th June 1989
5 Category of Director	Promoter – Executive
6 Area of Expertise/Senior Position Held/Work Experience	<ul style="list-style-type: none"> Industrialist with more than 2 decades experience to his credit. One of the Promoters of Videocon Group
7 Names of other Directorships in Public Limited Company	1. Videocon Appliances Limited 2. Videocon Communications Limited 3. Applicomp (India) Limited 4. Indian Refrigerator Company Limited 5. E Mart India Limited 6. Sky Appliances Limited 7. Videocon Power Limited 8. Videocon Industrial Finance Limited 9. Millennium Appliances India Limited 10. Akai Consumer Electronics India Limited 11. EKL Appliances Limited 12. Videocon VCR Securities Limited
8 Names of committees in which Chairman	Videocon Power Limited – Audit Committee
9 Names of Committees in which Member	Videocon Communications Limited – Shareholders Videocon Industries Limited (Remuneration) Videocon Industrial Finance Limited (Audit) Indian Refrigerator Company Limited (Audit) Millennium Appliances India Limited (Audit)
10 Number of Shares held	916,240

DIRECTORS' REPORT

The Shareholders,
of Videocon Industries Limited

The Board of Directors are pleased to present the 17th Annual Report together with the Audited Accounts, Auditors' Report and the Audited Consolidated financial statements for the period ended September 30, 2005.

FINANCIAL RESULTS

The financial period under review of the Company was extended by a period of three months so as to end on September 30, 2005, with requisite approval from Registrar of Companies. The performance of the Company for the financial period ended September 30, 2005 is as summarized below:

Particulars	Rs. Millions	
	Period ended 30.09.2005	Year ended 30.06.2004
Net Sales	54,494.03	37.05
Other Income	841.92	170.70
Total Income	55,335.95	207.76
Profit before Interest, Tax and Depreciation	9,021.40	79.73
Interest & Finance Charges	2,179.50	75.68
Depreciation	2,323.60	22.94
Profit/(Loss) before Exceptional Items and Taxation	4,518.30	(18.89)
Less: Exceptional Items	1,901.79	-
Provision for Current Tax	210.00	-
Provision/(Credit) for Deferred Tax	(1,870.34)	(1.52)
Profit/(Loss) after Tax	4,276.85	(17.37)

HIGHLIGHTS

Some of the highlights of the period under review are as under:

1. Mergers:

- Petrocon India Limited amalgamated with the Company on June 7, 2005 (w.e.f. 31.03.2004). This resulted in the Company getting into oil and gas business. With merger of Petrocon, the Company has become a member of the consortium that operates the Ravva Oil and Gas fields. The Company has a 25% participating interest in the Ravva Oil and Gas Field that presently produces 50,000 barrels of oil per day. The operating cost of the project is among the lowest in the industry. Apart from Ravva, company plans forays outside India and is on the lookout for strategic tie-ups in Exploration & Prospecting (E & P) on a purely opportunistic basis.
- Videocon International Limited (VIL) amalgamated with the Company on December 7, 2005 (w.e.f. 31.12.2004). VIL was engaged in manufacture and marketing of various consumer durables and home appliances as also Glass Shells for Colour Picture Tubes.
- On August 13, 2005, Board of Directors of the Company approved a proposal for amalgamation of EKL Appliances Limited (Formerly Electrolux Kelvinator Limited) with the Company. EKL owns three manufacturing facilities in India - Shahajanpur in Rajasthan, Butibori and Warora in Maharashtra. The details of the amalgamation are being worked out.

2. Change in Capital Structure:

During the period under review, there were material changes in the capital structure of company on account of amalgamations as well as further issues of capital. Details of the same are as under:

- On June 29, 2005, the GDRs got listed on Luxembourg Stock Exchange upon issue of 75,00,000 GDRs representing 75,00,000 equity shares at a price of US\$ 10 per GDR.
- On July 7, 2005, AB Electrolux, Sweden, subscribed to 94,10,145 GDRs representing 94,10,145 underlying equity shares at a price of US\$10 per GDR.
- On September 13, 2005, the Company issued 23,25,500 equity shares to M/s. Bennett, Coleman & Co., Ltd., Mumbai, the publishers of The Economic Times and The Times of India, among other publications, on a preferential basis as per the SEBI guidelines for preferential issues.
- On September 13, 2005, the Company allotted 12,57,55,450 equity shares to the shareholders of erstwhile Petrocon India Limited pursuant to Scheme of Amalgamation of Petrocon India Limited with the Company.
- On September 30, 2005, Thomson subscribed for 28,650,000 GDRs representing 28,650,000 underlying equity shares at a price of US\$ 10 per GDR.

As a result of this, the paid up equity capital of the Company stood at Rs 2065.26 Million as on 30.09.2005.

DIVIDEND

The directors have pleasure in recommending a dividend of 25% (Rs. 2.50 per share) for period ended September 30, 2005, subject to approval by shareholders at the 17th Annual General Meeting. The equity dividend amounting to Rs. 551.92 Million, would be paid out of the profits for the year. The dividend is free of tax in the hands of the shareholders.

MATERIAL CHANGES AFTER BALANCE SHEET DATE

During the year under review, Eagle Corporation Limited, an Offshore Special Purpose Vehicle in which the erstwhile Videocon International Limited held 19% equity stake acquired the Global CPT business from Thomson S.A having CPT manufacturing facilities in Poland, Italy, Mexico and China along with support Research and Development facilities.

Subsequently, on 13th December 2005, the Company acquired the balance 81% equity stake in Eagle Corporation Limited thereby making it a Wholly Owned Subsidiary.

On December 21, 2005, the Company issued 217,200 GDRs representing 217,200 equity shares at a price of US\$ 10 each to Gallo SAS, a Thomson Group entity against subscription money received on 30th September 2005.

On January 31, 2006, the Company allotted 1,42,42,488 equity shares to the shareholders of erstwhile Videocon International Limited pursuant to scheme of amalgamation of Videocon International Limited with the Company.

On February 7, 2006, the Company issued Foreign Currency Convertible Bonds of an aggregate amount of US\$ 90 Million.

FIXED DEPOSIT

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the period under review, Foreign Exchange earnings amounted to Rs. 2196.46 Million and Foreign Exchange outgo was Rs. 5175.02 Million as against Rs. Nil and Rs. 4.59 Million respectively for the previous period.

CONSERVATION OF ENERGY

Your Company lays emphasis on conservation of energy, power and other sources of energy. The Company has formed a team of expert engineers engaged in the production activity. The team gives main emphasis on studying the possibilities of use of various methods of optimum use of energy without affecting the productivity. The team submits its report to the top management at regular intervals.

As a part of continuous efforts your Company takes the following steps:

- Proper and timely maintenance of all the machinery, equipment;
- Time and motion study of production activity;
- Training to personnel engaged in production activity for optimal use of resources and conservation of energy;
- Use of advanced technology in the production;
- Timely inspection of all machinery and other equipments by the experts;

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 located in Aurangabad. The focus is on developing new products in line with market demand, improving production efficiency and lowering the cost of production.

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

The company has carried out Research and Development in the following areas:

- Slim tubes
- Home theaters
- Larger Screen Televisions
- Design and Development of new models of color televisions which are upgraded inline with the new trends, more features, economy.
- Plasma Televisions
- Cosmetic design and new outlook to the TVs
- Manufacturing of Components.
- Launching innovative products to meet the perceived needs of consumers;
- Increasing productivity;
- Improvement in the quality of products;
- Providing technical support services for solving problems related to the operations;

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
- To maintain market leadership in Television under Videocon umbrella.
- Compete with foreign players in the Indian and International Markets.
- The consumer is ultimately benefited.
- Providing consumers products having better features, better quality and improved reliability;
- Increase market for the products in rural areas;
- Products with more features that are suitable to all income groups;

3. Future plan of action

The company is aiming to achieve development in the following areas through Research and Development:

- Slim & Plasma Televisions
- To work on better features, better quality & improved reliability with reduced/low prices.

Your Company continues to adapt the latest advances in technology and upgrade its manufacturing base.

INFORMATION TECHNOLOGY

Your company firmly believes that IT is the backbone of any industry in today's environment. It enables efficient organization of information and helps establish standardized best practises. The Company has employed IT as a tool to improve productivity, efficiency and reliability. It has implemented integrated my SAP - a customized ERP module across the organization.

HEALTH, SAFETY AND ENVIRONMENT

Your company recognizes its role in health and safety, as well as its responsibility towards environment and society. Modern occupational health and medical services are accessible to all employees through well-equipped occupational health centers at all manufacturing facilities. 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 is 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 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

VIDEOCON INDUSTRIES LIMITED

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.

As a result of Human Resource Development activities the Company is getting the following benefits:

- Increase productivity
- Reduction in Labour Turnover
- Team Spirit and Team Work
- Employer Employee Relationship growing more informal and closer
- High Employee Morals

APPOINTMENT/REAPPOINTMENT OF DIRECTORS

During the year under review, the company has broad based its Board consequent to amalgamation of Petrocon India Limited and Videocon International Limited with the Company. On June 1, 2005, Mr. V N Dhoot, Maj Gen S C N Jatar, Mr. S Padmanabhan, Mr. Kuldeep Drabu were appointed as an Additional Director of the Company. Mr. R Kannan and Mr. O V Bundellu were co-opted as nominee of ICICI Bank Limited and IDBI Limited since they were nominees on the Board of Petrocon. Mr. O V Bundellu ceased to be nominee, since, consent was not received from him nor there was nomination by IDBI Limited. ICICI Bank Limited has nominated Mr. Ajay Saraf in place of Mr. R Kannan.

Mr. Anirudha V Dhoot and Mr. Vivek D Dharm ceased to be directors w.e.f., June 1, 2005. Consequently, Mr. Venugopal N Dhoot was appointed as Managing Director by the members at their Extra-Ordinary General Meeting held on 29th August 2005.

Further, after the end of financial year under review, Mr. Arun Bongirwar and Mr. S P Talwar were appointed by the Board as an Additional Directors. Thomson S.A nominated Mr. Didier Trutt as its nominee and AB Electrolux nominated Mr. Claes Johan Bygge as its nominee on the Board of the Company. The Board of Directors at its meeting held on 19th November, 2005 appointed Mr. Pradeepkumar N Dhoot as a Whole Time Director, Mr. Kuldeep Drabu & Mr. S K Shelgikar as Executive Director(s), subject to necessary approval of the members at the ensuing Annual General Meeting. Subsequently, Mr. Kuldeep Drabu & Mr. S K Shelgikar ceased to be Executive Director(s).

Mr. Peter Birch was appointed as Alternate to Mr. Johan Bygge by the Board at its meeting held on 17th January, 2006. Mr. M. Chittaranjan Kumar was nominated by IDBI Ltd. and was co-opted on the board of Directors of the Company at the meeting of the Board of Directors of the Company held on 31st January, 2006.

Mr. S K Shelgikar is liable to retire by rotation at the ensuing Annual General Meeting and being eligible he has offered himself for re-appointment. The Board recommends his appointment. The Board also recommends appointment of Maj Gen S C N Jatar, Mr. S P Talwar, Mr. Arun Bongirwar, Mr. Kuldeep Drabu, Mr. Didier Trutt and Mr. Claes Johan Bygge as director of the Company who were appointed as an Additional Director pursuant to Section 260 of the Act. Further, the Board also recommends confirmation of appointment of Mr. Pradeepkumar N Dhoot as a Whole Time Director of the Company.

The Brief profiles of directors being appointed/re-appointed at the ensuing Annual General Meeting forms part of Notice to the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 217(2AA) read with Section 292A of the Companies Act, 1956, we, the Directors of VIDEOCON INDUSTRIES LIMITED, state in respect of Financial Year 2004-05 that:

- a) in the preparation of annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b) 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;
- c) 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;
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) the Board has constituted an Audit Committee comprising of Three 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;
- f) 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;
- g) 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
- h) 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.

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 2004-2005 are annexed to this report.

LISTING

The equity shares of the Company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Global Depository Receipts are listed on Luxembourg Stock Exchange. The Foreign Currency Convertible Bonds are listed on Singapore Exchange Trading Securities Limited.

SUBSIDIARY COMPANIES

Pop-up Properties & Investments Private Limited and Videocon Securities Limited ceased to be the subsidiaries of the Company with effect from 27th July, 2005. The Company also divested its 50% interest in Joint Venture Company, India Floor Care and Appliances Limited with effect from 27th July, 2005.

Pursuant to the Scheme of Amalgamation of Videocon International Limited with the Company, the subsidiaries of Videocon International Limited become subsidiaries of the Company. As such, as on 30th September 2005, the Company had 14 subsidiaries viz., Paramount Global Limited, Middle East Appliances LLC, Videocon (Cayman) Limited, Trend Limited, Sky Billion Trading Limited, Mars Overseas Limited, Videocon Global Limited, Powerking Corporation Limited, Videocon Industrial Finance Limited, Gruhaupyogi Electronics Appliances Pvt Ltd, Gajanan Electronics and Home Appliances Pvt Ltd, Mayur Household Electronics Pvt Ltd, Godavari Consumer Electronics Appliances Pvt Ltd & Videocon (Mauritius) Infrastructure Ventures Limited.

The Company has received an exemption from the Central Government under section 212(8) of the Companies Act, 1956 with regard to attaching of the balance sheet, profit and loss account and other documents of the subsidiaries for the year 2004-2005. **The Company undertakes that annual accounts of the subsidiary companies and the related detailed information will be made available to the any member seeking such information at any point of time. Further, the annual accounts of subsidiary companies will also be kept for inspection by any investor at its registered office and also at registered office of the concerned subsidiary. The accounts of the subsidiary companies and detailed information will be made available to the members upon receipt of request from them.**

The summary of the key financials of the company's subsidiaries is included in this report.

CONSOLIDATED FINANCIAL STATEMENTS

The Directors also present the consolidated financial statements, duly incorporating the company's 100% ownership interest in Paramount Global Limited, Middle East Appliances LLC, Videocon (Cayman) Limited, Trend Limited, Sky Billion Trading Limited, Mars Overseas Limited, Videocon Global Limited, Powerking Corporation Limited (w.e.f 15th July 2005), Videocon Industrial Finance Limited, Gruhaupyogi Electronics Appliances Pvt Ltd, Gajanan Electronics and Home Appliances Pvt Ltd, Mayur Household Electronics Pvt Ltd, Godavari Consumer Electronics Appliances Pvt Ltd, Pop-up Properties and Investment Pvt Ltd (upto 27th July 2005), Videocon Securities Limited (upto 27th July 2005) and 50% interest in Joint Venture Company, India Floor Care and Appliances Limited (upto 27th July, 2005).

The audited financial statements of Videocon (Mauritius) Infrastructure Ventures Limited, have not been included in preparation of Consolidated Financial Statements as the control is temporary in nature.

The Consolidated financial results have been prepared in line with the requirements of Accounting Standard 21 "Consolidated Financial Statements" and Accounting Standard 27 - "Financial Reporting of Interests in Joint Ventures".

AUDITORS' REPORT

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

AUDITORS

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

CORPORATE GOVERNANCE

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

ACKNOWLEDGEMENT

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

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

For and on Behalf of the Board of Directors

V.N.DHOOT

Chairman & Managing Director

Place : Mumbai

Date : February 28, 2006

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 2005.

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	2,896,200	B. Com.	54	31 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 wholetime 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 : Mumbai

Date : February 28, 2006