



VISION TECHNOLOGY  
INDIA LTD

# VISION TECHNOLOGY INDIA LIMITED

BANGALORE

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## 10th ANNUAL REPORT

2002 - 2003

VISION TECHNOLOGY INDIA LTD.  
110 Kengeri Hanumanthnagar Road,  
BANGALORE-5600 027.

**Board of Directors** : RANGAVASANTH B.  
Chairman & Managing Director

RANGA B.S.  
Director

SHAMALA B. R.  
Director

ANITHA VASANTH  
Whole time Director

**Auditors** : A.A.G.J. & Co.  
Chartered Accountants  
Bangalore.

**Regd. Office** : 110, Kengal Hanumanthaiah Road,  
Bangalore – 560 027.

**Bankers** : UNION BANK OF INDIA  
ICICI BANK LIMITED

## NOTICE FOR THE ANNUAL GENERAL MEETING

Notice is hereby given that the 10th Annual General Meeting of the members of VISION TECHNOLOGY INDIA LIMITED, will be held on Wednesday, 14th January 2004 at 10.00 a. m. at THE MINERVA, MINERVA COMPLEX, MINERVA CIRCLE, Bangalore – 560 002, to transact the following business.

### Ordinary Business:

1. To receive, consider and adopt the Balance Sheet as at 30-06-2003 and the Profit and Loss Account for the year ended on that date, together with the reports of the Auditors and the Directors thereon.
2. To appoint a Director in place of Mr.B.S, Ranga who retires by rotation, and being eligible, offers himself for re-election.
3. To appoint auditors and fix their remuneration.

**By order of the Board**

Place : Bangalore  
Date : 12-12-2003

Sd/-  
**Rangavasanth.B**  
Chairman & Managing Director

1. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the company. Proxies, to be effective, must be lodged at the Registered office of the Company before 48 hours of the time and date fixed for the meeting.
2. The members are requested to intimate change of addresses, if any, to enable the company to update the records.

**DIRECTOR'S REPORT**

Your Directors are pleased to present their Tenth Annual Report for the year ended 30-06-2003.

**FINANCIAL RESULTS:**

	<b>2002-2003 (Rs.in Lacs)</b>	<b>2001-2002 (Rs. in Lacs)</b>
Turnover	86.96	213.92
Other Income	29.52	20.59
Increase / Decrease in Stock	0.02	-
Total Revenues	116.50	234.51
Profit /Loss before Interest and Depreciation	(200.57)	(490.12)
Interest	5.50	8.55
Profit /Loss before Depreciation	(206.07)	(498.67)
Depreciation	39.71	83.43
Net Profit/Loss before taxation	(245.78)	(582.10)
Prior Period Adjustments	-	18.00
Provision for taxation	0.80	-
Profit / Loss after tax	( 246.58)	(600.10)

**OPERATIONS AND FUTURE PROSPECTS:**

The operations of the company are expected to improve in the coming years. The film processing, audio and publicity divisions are poised for further growth. The Company is also pursuing production of TV Serials.

**MANAGEMENT DISCUSSION AND ANALYSIS**

A report on the Management discussion and analysis as required under clause 51 of the Listing Agreement is attached herewith (Annexure I).

**AUDITORS:**

M/s.A.A.G.J. & Co., Chartered Accountants, Bangalore, the auditors of the company, retire at this Annual General Meeting and are eligible for reappointment.

## AUDITORS REPORT:

With regard to the qualification made by the Auditors in para 2f, of their Audit Report, your directors wish to mention as Follows:

- i) Writing off of Debtors and Loans and advance:  
Note B.2 (iii) is clear on the subject. It was felt prudent to write off unrecoverable items.
- ii) Lease Rentals:  
Note No B .5 is clear on the subject.
- ii) Contingent Liability :  
Note B.1 is clear on this point. As the matters are pending, the liabilities could not be quantified. As and when these matters are finalised the same will be provided for.

**Board of Directors:** Mr.B.S.Ranga, Director retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-election.

**Fixed Deposits:** The Company has not accepted any fixed deposits from the public during the year.

### Directors responsibility statement pursuant to Sec.217 (2AA) of the Companies Act, 1956.

1. In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures.
2. The directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2002-2003 and of the loss of the company for the same period.
3. 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.
4. The Directors have prepared the annual accounts on a going concern basis.

**Particulars of Employees under Section 217 (2A):**

During the year, there were no employees who were in receipt of remuneration in excess of the limits prescribed under the above section.

**Information under Sec.217 (1)(e) of the Companies Act, 1956**

Conservation of Energy	:	}	These are not applicable to to the Company
Technology Absorption	:	}	

Foreign Exchange Earnings : - Nil –

Foreign Exchange out go : - Nil –

Corporate Governance

A report on the corporate governance is attached herewith as required by clause 49 of the listing agreement (Annexure – II).

Compliance Certificate

A certificate from the auditors of the company regarding compliance of the conditions of corporate governance as stipulated is attached to this report.(Annexure-IV)

Shareholders Information

The required shareholder information is furnished in Annexure – III to this report.

**Acknowledgement:**

The Directors wish to place on record their appreciation for the continued support received from their customers, bankers and employees of the Company.

**By order of the Board**

Place : Bangalore  
Dated : 12<sup>th</sup> December 2003

sd/-  
**Rangavasanth.B**  
Chairman and Managing Director

**ANNEXURE - I****MANAGEMENT DISCUSSION AND ANALYSIS**

The year ended 30th June 2003 has been a difficult period for South Indian Media Industry in general. The Ad revenue generated by producers and marketers of South India TV programmes and serials have shown a downward swing .The Sponsorship rates paid by manufacturers of Consumer goods and durables have declined by about 20% during the year under review.

Additionally, the South Indian feature film industry has also been depressed during the year under review. Your Company, did not undertake additional programming in order to minimize its cash losses.

However, from 1<sup>ST</sup> November 2003 there has been an improvement in the outlook for South Indian feature films and your Company proposes to enter into the potentially lucrative areas of feature film production and distribution during the second half of the current financial year.

In order to reduce the pressure of debt servicing on the Company, your Company has reduced its outstanding debt to a very great extent during the year under review and the Company is almost debt –free in terms of long –term debt and working capital debt.

## **ANNEXURE – II**

### **Corporate Governance Report**

1) **Company's philosophy on Corporate Governance**

The Board has been committed to adopting besides any obligation relevant under laws or regulations, best practices for corporate governance in line with SEBI code.

2) **Board of Directors:**

1.1 **Constitution of the Board**

The composition of the Board with regard to the number of Executive and Non-Executive Directors meets with the requirements laid down as follows:

Out of the four Directors presently on the Board of the Company, there are two Executive Directors, viz, Mr.Rangavasanth B, Chairman and Managing Director and Mrs.Anitha Vasanth, Wholetime Director. There are two Non- Executive Directors, Viz, Mr. B.S.Ranga and Mrs.B. R. Shamala.

However, there are no independent Directors. The Company is on the look out for suitable persons to be considered for independent, non-executive, non-promoter Directors.

Thus, while the company has complied with the requirement that atleast half of the Board members should be non-executive Directors, the condition that half of the Board should be independent Directors is to be complied with.



**2.2. Meetings:**

Meetings of the Board are held as and when the occasion demands and there are important matters to be considered, but atleast not later than three months once.

During the year under review, 9 meetings were held by the Board of Directors on 31-07-2002, 16-08-2002, 23-09-2002, 20-11-2002, 25-11-2002, 26.12.2002,19-02-2003, 29-04-2003, 23-06-2003,

All the Four Directors have attended all the Board meetings as above.

Mr.Rangavasanth B and Mrs.Anitha Vasanth attended the last AGM on 30<sup>th</sup> December 2002.

**2.3 Remuneration to Executive Directors:**

Particulars	Rangavasanth B Chairman & Managing Director	Mrs.Anitha Vasanth Wholetime Director
1. Salary	--	1,60,000
2. Allowances and perquisites	--	--
3. Contribution to P.F., Gratuity and Superannuation Funds	--	--
4. Stock Options	--	--
Total --	--	1,60,000

In both the above cases, appointment is for a period of five years from the date of appointment.

No remuneration or sitting fees were paid to the non-executive Directors during the year.

**Committees of Directors:**

The Board has constituted committees of Directors as follows to deal with matters which need quick and timely decisions.

**Share Transfer Committee:**

The Board of Directors of the company have constituted a committee of Directors consisting of Mr.Rangavasanth B, Chairman and Managing Director and Mrs.Anitha Vasanth, Wholetime Director to approve share transfers from time to time. The committee had met 11 times during the year.

**Investor Grievance Committee:**

The Board had constituted an Investor Grievances Committee, to consider the grievances of shareholders / investors regarding share transfers, etc. This committee consists of Mr.Rangavasanth B. Chairman and Managing Director and Mr.B.S.Ranga, Director. The Committee met once during the year on 16-01-2003 and disposed of all the pending investors complaints. Mr.K.M. Dorairaj, Asst Secretary has been appointed as the compliance officer.

All the complaints received by the company have been redressed as on 30-06-2003 and no complaints are outstanding with the company as on the date of the report.

**Audit Committee:**

An audit committee was constituted on 18-04-2001 with the following directors as members.

Mr.B.S.Ranga	-	Director
Mr.B.R.Shamala	-	Director
Mr.Rangavasanth B	-	Chairman and Managing Director

During the year, the committee held two meetings. The terms of reference are in accordance with the requirement of clause 49 of the listing agreement and include:

- a) Revision of the Company's financial reporting process and financial statement.
- b) Review of accounting and financial policies and practices.
- c) Review of internal control and internal audit systems.
- d) Discussion with the internal and external auditors
- e) Reviewing company's financial and risk management policies.

**Remuneration Committee:**

The company has constituted a Remuneration Committee with the following Directors:

1. Mr. B. S. Ranga - Chairman
2. Mrs. B. R. Shamala

The brief terms of reference include:

- a) to determine on behalf of the Board the company's policy on specific remuneration package to executive directors.
- b) to avoid conflict of interest and to review and suggest to the Board and to the members the remuneration payable to the executive directors.

During the year, there were no meetings of the Remuneration Committee. The details of remuneration to the directors are furnished separately in this report.