

DYNAVISON LIMITED

Annual Report

CERTIFICATE COPY

For DYNAVISON LIMITED


K. VENKATESWARAN
Director.

1999 - 2000

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BOARD OF DIRECTORS

Sri. P. VIJAYAKUMAR REDDY
Sri. R. P. AGRAWAL
Sri. K. VENKATESWARAN
Sri. M. S. MEERA MOHIDEEN
Sri. D. THIRUNAVUKARASU
Smt. JANAKI KATHPALIA
Special Director - Nominee of BIFR

AUDITORS

M/s. P. CHANDRASEKHAR
Chartered Accountants
No. 37, Krishnaswamy Avenue
Luz, Mylapore
Chennai - 600 004.

BANKERS

STATE BANK OF INDIA, CHENNAI
STATE BANK OF PATIALA, CHENNAI
STATE BANK OF SAURASHTRA, CHENNAI
INDIAN BANK, CHENNAI
INDIAN OVERSEAS BANK, CHENNAI

REGISTERED OFFICE & FACTORY

Near Dr. Vikram Sarabhai Instronics Estate
Kottivakkam
Chennai -600 041.

REGISTRARS & TRANSFER AGENTS

HI - TEC SHARE REGISTRY PRIVATE LIMITED
"Murugesu Naicker Office Complex"
81, Greaves Road
Chennai - 600 006.
Tel : 8292272 / 8292273

DYNAVISON LIMITED**NOTICE TO SHAREHOLDERS**

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Company will be held on Friday, the 29th September, 2000 at the Registered Office, Near Dr.Vikram Sarabhai Instronics Estate, Kottivakkam, Chennai 600 041 at 12.05 P.M. to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statements of Account for the year ended 31st March, 2000 and the Reports of Directors and the Auditors thereon.
2. To appoint a Director in the place of Sri.R.P.Agrawal, who retires by rotation under Article 165 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration. M/s.P.Chandrasekhar, Chartered Accountants, Chennai, are the retiring Auditors and being eligible, offers themselves for re-appointment.

SPECIAL BUSINESS

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

"Resolved that Sri.M.S.Meera Mohideen, be and is hereby appointed as a Director subject to retirement by rotation under Section 255 of the Companies Act, 1956.

Further resolved that the remuneration payable to Sri.M.S.Meera Mohideen as per provisions of Schedule XIII and other applicable provisions of the Companies Act, 1956, as detailed hereunder, as approved by the Board with effect from 28.4.2000 be and is hereby approved, confirmed and ratified.

1. Salary

Basic Rs.15,850/- per month

Allowances per month

House Rent Allowance	Rs.1,500/-
Conveyance	Rs.1,500/-
Washing Allowance	Rs.250/-

(Annual Increments may be decided by the Board subject to a maximum of 25% of the Basic Salary).

2. Perquisites

- a) Medical Reimbursement upto one month's Basic Pay per year subject to 3 months pay over a period of 3 years.
- b) Leave Travel Allowance - Equivalent to one month's Basic Pay per year.
- c) PF, Gratuity & Bonus as per the Rules of the Company.

3. Car - Expenses on fuel shall be reimbursed to the extent of 75 Ltrs. only per month."

(Except Sri.M.S.Meera Mohideen, no other Director is concerned or interested in the above Resolution).

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

"Resolved that Sri.D.Thirunavukarasu, be and is hereby appointed as a Director subject to retirement by rotation under Section 255 of the Companies Act, 1956.

Further resolved that the remuneration payable to Sri.D.Thirunavukarasu as per provisions of Schedule XIII and other applicable provisions of the Companies Act, 1956, as detailed hereunder, as approved by the Board with effect from 28.4.2000 be and is hereby approved, confirmed and ratified.

1. Salary

Basic Rs.16,250/- per month

Allowances per month

House Rent Allowance	Rs.1,000/-
Washing Allowance	Rs.250/-

(Annual Increments may be decided by the Board subject to a maximum of 25% of the Basic Salary).

2. Perquisites

- a) Medical Reimbursement upto one month's Basic Pay per year subject to 3 months pay over a period of 3 years.
- b) Leave Travel Allowance - Equivalent to one month's Basic Pay per year.
- c) PF, Gratuity & Bonus as per the Rules of the Company.

3. Car - Expenses on fuel shall be reimbursed to the extent of 100 Ltrs. only per month."

(Except Sri.D.Thirunavukarasu, no other Director is concerned or interested in the above Resolution).

By Order of the Board

Place : Chennai 41
Date : 28.07.2000

K. VENKATESWARAN
Director.

DYNAVISON LIMITED**NOTES:**

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/herself and the Proxy need not be a Member of the Company. The Proxy Form duly completed must be delivered at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.
2. Please bring the Admission Slip with you duly filled in and hand over the same at the entrance of the Meeting Hall.
3. The Register of Members will remain closed from 23rd September, 2000 to 29th September, 2000 (both days inclusive).

EXPLANATORY STATEMENT

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

ITEM NO.3**APPOINTMENT OF AUDITORS**

The appointment of Auditors during the year becomes an ordinary subject, since M/s.Tamilnadu Industrial Development Corporation Limited (TIDCO) a Government Company holding more than 25% of Equity Shares of the Company by disinvesting their Shares in favour of the Promoter Director. As such, the Company is no longer a Joint Venture Company, in which 25% of the Equity Shareholding being subscribed by any Public Financial Institutions or any Government or Nationalised Banks or Other Financial Institutions referred to therein requiring a Special Resolution for appointment or re-appointment of the Auditors.

ITEMS NO.4 & 5**APPOINTMENT OF DIRECTORS**

Sri .M. S. Meera Mohideen & Sri. D. Thirunavukarasu have been appointed by the Board as Additional Directors at the Meeting of the Board held on 28th April, 2000 respectively. The Board also approved the remuneration payable to both the Directors. A Notice under Section 257 has been received from Members proposing the candidature of the above persons along with a deposit of Rs.500/- each.

Since such appointments by the Board are to be ratified at the next Meeting of the Shareholders, the Members are requested to pass the Resolutions placed before them.

Except Sri.M.S.Meera Mohideen and Sri.D.Thirunavukarasu, no other Director is concerned or interested in the above Resolutions.

By Order of the Board

K. VENKATESWARAN
Director.

Place : Chennai 41
Date : 28.07.2000

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their Report together with the Audited Accounts for the year ended 31st March, 2000.

FINANCIAL RESULTS

	(Rs. In lakhs)	
	<u>1999-2000</u>	<u>1998-1999</u>
Profit before Interest and Depreciation	292.45	293.78
Less: Interest	44.21	60.96
Profit before Depreciation	248.24	232.82
Less: Depreciation	65.11	62.39
Profit before Tax	183.13	170.43
Provision for Tax	---	---
Surplus carried over to Balance Sheet	183.13	170.43

PERFORMANCE AND PROSPECTS

Your Company's production for the year under review was 1,22,447 nos. of CTVs, 8,245 nos. of VCR/VCPs, 23,163 nos. of Audios representing an increase of about 6.67% in CTVs production, 28.99% increase in the production of VCR/VCPs. There has been a reduction in production of Audios from 62,984 sets to 23,163 sets since M/s.Thomson Consumer Electronics India Ltd. is concentrating more on CTVs than Audios. During the year under review, the Company also produced 19,496 nos. of Populated Printed Circuit Boards for M/s.Thomson Consumer Electronics India Ltd., as against 4,750 nos. during 1998-99.

In spite of the marginal increase in the production of CTVs and substantial increase in the production of VCR/VCPs and Populated Printed Circuit Boards, the realisation has come down from Rs.517.38 lacs to Rs.498.79 lacs due to reduction in the rate of conversion charges as per the Contractual Conversion Charges Agreement with Thomson. However, the net profit for the year has shown an improvement over the previous year from Rs.170.43 lacs to Rs.183.13 lacs.

In spite of the TV market being competitive and reduction in conversion charges, we are confident of retaining the existing level of profitability in the year 2000-2001 also.

FINANCE

The Promoter Director, Sri.P.Vijayakumar Reddy has further brought in a sum of Rs.49.95 lacs as "Interest Free Unsecured Loan" during the year aggregating to Rs.16.04 crores so far. The entire amount has been used for the purpose of making payments to Bankers against One Time Settlement and other dues.

DYNAVISON LIMITED**STATUS OF THE BIFR MATTERS AND THE REHABILITATION SCHEME**

Efforts are on to get extension of time for the repayment of the balance of One Time Settlement dues to Consortium of Banks.

DEBENTURE REDEMPTION - PUBLIC

A sum of Rs.79.16 lacs (Rupees Seventy Nine lacs and Sixteen thousand only) have been redeemed as on 31.7.2000. The Company is making all its efforts to redeem the balance amount of Rs.213.20 lacs at the earliest possible time.

DIRECTORS

- a) Sri.R.P.Agrawal retires by rotation and being eligible, offers himself for re-appointment.
- b) During the year under review, M/s.Tamilnadu Industrial Development Corporation Limited (TIDCO) a Company fully owned by the Government of Tamilnadu the Joint Venture Partner of the Company disinvested their Shares in favour of the Promoter Director as per the original Agreement entered into between them at the time of incorporation of the Company. Since TIDCO have disinvested their Shares, the Company ceased to be a Joint Venture Company with TIDCO.

As a result of this disinvestment, all the three Nominee Directors of TIDCO, Sri.Hemant Kumar Sinha, I.A.S., Sri.S.Susai & Sri.V.Soundararajan resigned from the Board of Directors of the Company.

- c) Your Board wishes to place on record their appreciation of the valuable services rendered by TIDCO as the Joint Venture Partner of the Company. Your Board also wishes to place on record their appreciation of the valuable services rendered by Sri.Hemant Kumar Sinha, I.A.S., as the Chairman of the Board of Directors, Sri.S.Susai as a Director and Sri.V.Soundararajan as a Director during their tenure of office.
- d) During the year under review Sri.P.Obul Reddy, the Promoter Director resigned from the Board on health grounds. Your Directors wish to place on record their appreciation of the valuable services rendered by Sri.P.Obul Reddy as a Director of the Company, since inception in the year 1973.
- e) During the period under review Sri.P.Vijayakumar Reddy resigned as the Managing Director of the Company effective from 28.7.2000. However, he continues to be a Director on the Board. Your Directors wish to place on record their appreciation of the valuable services rendered by Sri.P.Vijayakumar Reddy during his tenure as the Managing Director of the Company.
- f) During the period under review, Sri.K.Venkateswaran who was also the Secretary of the Company, Sri.R.P.Agrawal who was the General Manager(Finance & Accounts), Sri.M.S.Meera Mohideen, Dy.General Manager(Production) and Sri.D.Thirunavukarasu, Senior Manager (Personnel & Admn.) were appointed as Working Directors subject to retirement by

rotation by suitably altering Article 164 and also by introducing a new Article as 164 A of the Articles of Association of the Company.

The appointments of Sri.K.Venkateswaran and Sri.R.P.Agrawal were confirmed by the General Body at the Extraordinary General Meeting of the Shareholders held on 15th March, 2000. The appointment of Sri.M.S.Meera Mohideen and Sri.D.Thirunavukarasu as Additional Directors by the Board gets automatically terminated at this Meeting. The Company has received a proposal to appoint them as Directors from Members with Rs.500/- each as deposit.

AUDITORS

The Auditors M/s.P.Chandrasekhar, Chartered Accountants, retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

AUDITORS' REPORT

The observations made by the Auditors in their Report are adequately explained in the respective Notes forming part of the Accounts and hence needs no specific clarification.

PERSONNEL

There was no Employee covered by the Provisions of Section 217 (2A) of the Companies Act, 1956.

OTHER INFORMATION

As required under Section 217 (1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, the particulars relating to Conservation of Energy, Research & Development and Foreign Exchange Earnings & Outgo is annexed hereto and forms an integral part of this Report.

ACKNOWLEDGEMENT

The Directors wish to place on record their appreciation of the devoted service of all the Employees of the Company. The Board further wish to place on record its appreciation of the support of various Government Agencies, Financial Institutions, Banks and Shareholders and look forward to their continued support in future. The Board also wish to acknowledge and thank M/s. Tamilnadu Industrial Development Corporation Limited for their support and co-operation during their association with the Company as Joint Venture Partner and also wish to acknowledge and thank M/s.Thomson Consumer Electronics India Limited, for their continued support and co-operation.

For and on behalf of the Board

Place : Chennai 41
Date : 28.07.2000

P. VIJAYAKUMAR REDDY
Director.