

DYNAVISON LIMITED

ANNUAL REPORT

CERTIFIED TRUE COPY

For **DYNAVISON LIMITED**


K. VENKATESWARAN
Director.

2001 - 2002



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BOARD OF DIRECTORS

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

AUDITORS

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

BANKERS

INDIAN OVERSEAS BANK, CHENNAI - 41.

REGISTERED OFFICE & FACTORY

Near Dr. Vikram Sarabhai Instronics Estate & S. R. P. Tools Ltd.,
 Taramani Velacherry Road
 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 Seventh Annual General Meeting of the Company will be held on Monday, the 30th September, 2002 at the Registered Office, Near Dr. Vikram Sarabhai Instronics Estate, Kottivakkam, Chennai 600 041 at 10.00 A.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, 2002 and the Reports of Directors and the Auditors thereon.
2. To appoint a Director in the place of Sri.M. S. Meeramohideen, 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 a Director in the place of Sri. D. Thirunavukarasu, who retires by rotation under Article 165 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration. M/s.P.Chandrasekar, Chartered Accountants, Chennai, are the retiring Auditors and being eligible, offer themselves for re-appointment.

By Order of the Board

Place : Chennai 41
Date : 29.07.2002

K. VENKATESWARAN
Director.

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 24th September, 2002 to 30th September, 2002 (both days inclusive).

By Order of the Board

Place : Chennai 41
Date : 29.07.2002

K. VENKATESWARAN
Director.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their Report together with the Audited Accounts for the year ended 31st March, 2002.

FINANCIAL RESULTS

(Rs. In lakhs)

2001-2002 **2000-2001**

Profit before Interest and Depreciation	250.22	253.45
<u>Less: Interest</u>	27.25	34.92
Profit before Depreciation	222.97	218.53
<u>Less: Depreciation</u>	66.08	65.76
Profit before Extraordinary Items	156.89	152.77
<u>Less: Extraordinary Items</u>	494.84	--
Profit/(Loss) before Tax	(337.95)	152.77
Provision for Deferred Tax	124.15	--
Profit/(Loss) after Deferred Tax	(213.80)	152.77
Surplus/(Loss) carried over to Balance Sheet	(213.80)	152.77

PERFORMANCE AND PROSPECTS

Your Company's production for the year under review shows a decrease of 11.61% in the CTV production at 1,18,707 sets as against 1,34,294 sets during the previous year. However, the production of Populated Printed Circuit Board (PCB) were increased to 44,801 as against 13,903 during the previous year.

In spite of the increase in the production of PCBs, the sizeable reduction in the production of CTVs is the reason for decrease in income during the year.

However, the profit before extraordinary items has increased by Rs. 4.12 lakhs due to austerity measures taken by the Company.

Our Agreement with M/s. Thomson Multimedia India Pvt. Ltd. has expired on 31.12.2001 and a fresh negotiation is on to renew the Agreement for further period. The Management is hopeful to negotiate the Agreement successfully.

SEGMENT - WISE PERFORMANCE

At present, the Company is having a single segment activity, as such there is no necessity for segment-wise reporting.

FINANCE

As per directive of BIFR, the Promoters have further brought in a sum of Rs. 135.33 lakhs during the year towards settlement of interest on OTS and other dues to the Bankers.

STATUS OF THE BIFR MATTERS AND THE REHABILITATION SCHEME

The Company has successfully paid off the entire dues including interest on belated payment of One Time Settlement amount to both the Consortium of Bankers and the Indian Bank, thereby paying off the entire dues under Rehabilitation Scheme.

DEBENTURE REDEMPTION - PUBLIC

A sum of Rs. 113.41 lakhs (Rupees One hundred and Thirteen Lakhs and Forty One Thousand only) have been redeemed as on 30.6.2002. The Company is taking all steps to redeem the balance amount of Rs. 178.95 lakhs plus interest, at the earliest date.

DIRECTORS

Sri. M. S. Meeramohideen & Sri D. Thirunavukarasu, Directors retire by rotation and being eligible, offer themselves for re-appointment.

AUDITORS

The Auditors M/s.P. Chandrasekar, 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 under 2d (i, ii & iii) are clarified as under:-

2d.(i) NOTE NO. 5

The Company has been taking all efforts to reconcile all the accounts with regard to Debtors/Creditors over the years. Unfortunately due to lapse of time, several parties have closed the business and others are not willing to answer or send in their Statement of Accounts for reconciliation purpose in the fear that the accounts which have become time barred, will have a new lease of life, if they reply to the Company's request for information for reconciliation purpose. The non-furnishing of information by the parties render the Company helpless. Under the

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circumstances, the Company may have to write off/write back the balances as the case may be and give suitable effect in the accounts after taking legal advice.

2 d. (iii) NOTE NO. 6

The Gratuity Act provides that once a provision is made for Gratuity liability on accrual basis, the Company has to transfer compulsorily the entire amount so provided to either a Trust formed for this purpose or enter into an Agreement with LIC Gratuity Scheme on or before 31st March of the said Financial Year. However, due to carry forward of accumulated losses, the Company is treating the Gratuity payment on cash basis, which is the consistent policy of the Company also.

2 d. (ii) NOTE NO. 7

The Company is contemplating to start their own production in the near future at which time the material lying as inventory may be used to the maximum level possible and the balance may be suitably accounted in the Books of Account.

PERSONNEL

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

RESPONSIBILITY STATEMENT

The Directors confirm:

1. that in the Preparation of Final Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
2. that they had 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 and of the Profit or Loss of the Company for that period;
3. that they had taken proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provisions of Companies Act, 1956 for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
4. that they had prepared the Annual Accounts on a Going Concern basis.

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 various Government Agencies, Banks and Shareholders and look forward to their continued support in future. The Board also wish to acknowledge and thank M/s.Thomson Multimedia India Pvt. Ltd., for their continued support and co-operation.

For and on behalf of the Board

Place : Chennai 41 **K.VENKATESWARAN** **R.P.AGRAWAL**
Date : 29.07.2002 Director. Director.

ANNEXURE TO DIRECTORS' REPORT**Conservation of Energy**

Your Company is not a Power Intensive Industry and hence the scope for conservation of energy is not much. However, efforts to reduce and optimise the use of energy through improved operation and other means continue.

Details of Consumption of Electricity

	<u>2001-2002</u>	<u>2000-2001</u>
Units (KWH)	2,33,134	2,59,754
Cost (Rs.)	11,44,240	11,87,078
Rate Per Unit (Rs.)	4.91	4.57

Research & Development

In view of our current activities being restricted to the production on contractual basis for Others, the R & D activities are suspended for the time being.

For and on behalf of the Board

Place : Chennai 41 **K.VENKATESWARAN** **R.P.AGRAWAL**
Date : 29.07.2002 Director. Director.

AUDITORS' REPORT TO THE MEMBERS OF DYNAVISION LIMITED

We have audited the attached Balance Sheet of Dynavision Limited as at 31st March, 2002 and also the Profit & Loss Account for the year ended on that date annexed thereto. These Financial Statements are the responsibility of Company's Management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosure in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall Financial Statements presentation. We believe that our audit provides a reasonable basis of our opinion.

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988, issued by the Central Government under Section 227 (4A) of the Companies Act, 1956, we furnish below a Statement on the matters specified in Paragraphs 4 and 5 of the said Order:
 - i. The Company has maintained proper Books and Records to show particulars including quantitative details and situation of Fixed Assets. *We are informed that the physical verification of most of the Fixed Assets were carried out by the Management excepting Fixed Assets at Bonded Warehouse, and as reported to us no material discrepancies were noticed on such verification.*
 - ii. None of the Fixed Assets have been revalued during the year.
 - iii. *As reported to us, the physical verification of stock of raw materials & finished goods (including raw materials lying under the custody of the Customs Authorities and finished goods lying with C&F Agents) could not be carried out during the year.*
 - iv. *Comments on the procedure of physical verification of stock of raw materials & finished goods followed by the Company do not arise, since no physical verification was carried out by the Company during the year.*