

# DYNAVISON LIMITED

## ANNUAL REPORT

CERTIFIED TRUE COPY

For **DYNAVISON LIMITED**



**K. VENKATESWARAN**  
Director.

### 2002-2003

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### BOARD OF DIRECTORS

Sri. K. VENKATESWARAN  
 Sri. R. P. AGRAWAL  
 Sri. M. S. MEERAMOHIDEEN  
 Sri. D. THIRUNAVUKARASU  
 Sri. J. NARAYANA MURTY  
 Special Director - Nominee of BIFR

### AUDITORS

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

### BANKER

INDIAN OVERSEAS BANK, CHENNAI - 600 041.

### REGISTERED OFFICE & FACTORY

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

### REGISTRARS & SHARE TRANSFER AGENTS

HI - TEC SHARE REGISTRY PRIVATE LIMITED  
 "Murugesha Naicker Office Complex"  
 81, Greams Road  
 Chennai - 600 006.  
 Tel : 28292272 / 28292273

**DYNAVISON LIMITED****NOTICE TO SHAREHOLDERS**

Notice is hereby given that the Twenty Eighth Annual General Meeting of the Company will be held on Tuesday, the 30th September, 2003 at the Registered Office, Near Dr. Vikram Sarabhai Intronics 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 31<sup>st</sup> March, 2003 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 a Director in the place of Sri. K. Venkateswaran, 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

**K. VENKATESWARAN**  
Director.

Place : Chennai 41  
Date : 30.07.2003

**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, 2003 to 30th September, 2003 (both days inclusive).

By Order of the Board

**K. VENKATESWARAN**  
Director.

Place : Chennai 41  
Date : 30.07.2003

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting their Report together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2003.

**FINANCIAL RESULTS**

(Rs. In lakhs)

	<b>2002-2003</b>	<b>2001-2002</b>
Profit before Interest and Depreciation	<b>234.25</b>	250.22
Less: Interest	<b>24.38</b>	27.25
Profit before Depreciation	<b>209.87</b>	222.97
Less: Depreciation	<b>66.47</b>	66.08
Profit before Extraordinary Items	<b>143.40</b>	156.89
Less: Extraordinary Items	<b>-</b>	494.84
Profit/(Loss) before Tax	<b>143.40</b>	(337.95)
Provision for Deferred Tax	<b>(54.10)</b>	124.15
Profit/(Loss) after Deferred Tax	<b>89.30</b>	(213.80)
Transfer to Debenture Redemption Reserve	<b>89.00</b>	---
Surplus/(Loss) carried over to Balance Sheet	<b>0.30</b>	(213.80)

**PERFORMANCE**

Your Company during the year ended 31.3.2003 assembled 1,60,614 nos. of CTVs & 52,550 nos. of PCBs as against 1,18,707 nos. of CTVs and 44,081 nos. of PCBs assembled during the corresponding year ended 31.3.2002 for M/s. Thomson Multimedia India Private Limited. The production of both CTVs and PCBs shows an increase by 35.30% & 19.21% respectively.

The increase in production reflected in the Income also. The Conversion charges earned during the year ended 31.3.2003 was Rs.579.14 lakhs as against Rs.461.19 lakhs during the earlier year ended 31.3.2002 showing an increase of 25.58%.

In addition to the above, the Company also manufactured 9,838 nos. of CTV Sets under the Brand Name "Samsung" on "OEM" Contract basis which has resulted in an increased profit of Rs. 334.11 lakhs as against Rs. 250.22 lakhs during the corresponding year ended 31.3.2002. However, during the year under review, your Company had to write off certain irrecoverable items, as a result of which the Profit had come down to Rs. 234.25 lakhs.

**AGREEMENT WITH M/S. THOMSON MULTIMEDIA INDIA PRIVATE LIMITED**

The Agreement with M/s. Thomson Multimedia India Pvt. Ltd. which expired on 31.12.2001 is still to be renewed and negotiations are on to renew the Agreement for further period. However, the existing Agreement & arrangement continues till such time the new Agreement is finalised and signed. The renewal of the Agreement may have an impact on Income / Profit reflected in the Accounts under review, which may be accounted accordingly in the year in which the Agreement is finalised and signed.

**FUTURE PROSPECTS**

In the absence of any Mega Events to attract heavy sales of Consumer Durables, your Company is not optimistic about the performance of the Company during the current year 2003-2004. However, the Company will endeavour to maintain the current level of performance in 2003-2004.

**ISO: 9001 : 2000 CERTIFICATION**

Your Directors are happy to inform the Members that your Company has been awarded "ISO : 9001 : 2000 Certificate" during the year.

**SEGMENT - WISE PERFORMANCE**

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

**DEBENTURE REDEMPTION - PUBLIC**

A sum of Rs. 125.66 Lakhs (Rupees One Hundred Twenty Five Lakhs And Sixty Six Thousand only) have been redeemed as on 10.7.2003. The Company is taking all steps to redeem the balance amount of Rs.166.70 lakhs plus interest thereon, at the earliest date.

**DIRECTORS**

Sri. R. P. Agrawal & Sri K. Venkateswaran, Directors retire by rotation and being eligible, offer themselves for re-appointment.

BIFR withdrew their Nominee Director, Smt. Janaki Kathpalia, as per their letter dt. 26th May 2003 and nominated Sri. J. Narayana Murty as a Nominee Director in the place of Smt. Janaki Kathpalia vide their letter dated 11.6.2003. Your Directors wish to place on record their appreciation of the valuable services rendered by Smt. Janaki Kathpalia during her tenure as a Nominee Director of BIFR.

**DYNAVISON LIMITED****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, & iv) are clarified as under:-

**2d. (i) NOTE NO.3**

Regarding the renewal of the Agreement with M/s. Thomson Multimedia India Pvt. Ltd., the position of the Company has already been explained in the earlier paragraph under the Head "Agreement with M/s. Thomson Multimedia India Private Limited".

**2d. (ii) NOTE NO.4**

The Accounts of most of the parties have been reconciled and given effect in the Accounts. The efforts are still on to get the accounts of the remaining parties reconciled.

**2 d. (iii) NOTE NO. 5**

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. (iv) NOTE NO. 6**

The Company is still exploring the possibilities 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:

- that in the Preparation of Final Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- 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;
- 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;
- that they had prepared the Annual Accounts on a Going Concern basis.

**OTHER INFORMATION**

As required under Section 217 (i)(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.

**CORPORATE GOVERNANCE**

Dynavision Limited is following the best tradition in Corporate Governance. The Corporate Governance framework for the Company is based on an effective Independent Board, the separation of the Board's supervisory role from the Executive Management and the constitution of Board Committees, comprising of 100% Independent Directors.

**1. BOARD OF DIRECTORS**

The Board consists of 4 Independent Non-Executive Directors and one Nominee Director, representing the BIFR.

On 31.3.2003, the Board of Directors consisted of 5 Directors distributed as stated above.

The Names of Board Members, their attendance at Board Meetings and Board Committee Memberships held by them as on 31.3.2003 are given below:-

Name of Member	Board Meetings attended during the year	Attendance at last AGM (30.09.2002)	Number of other Committee Memberships
Independent Non-Executive Directors			
Sri.K. Venkateswaran	4	Present	2
Sri.R.P. Agrawal	4	Present	1
Sri.D. Thirunavukarasu	4	Present	1
Sri.M.S. Meeramohideen	4	Present	Nil
Nominee Director			
Smt. Janaki Kathpalia	4	Did not attend	1

Sri R. P. Agrawal & Sri. K. Venkateswaran are the Directors retiring by rotation and are eligible for re-appointment.

Sri. R. P. Agrawal is a Commerce Graduate having 37 years of experience in dealing Financial matters. He is in charge of Finance and Accounts matters of the Company. He has no other Directorship.

Sri. K. Venkateswaran is a Commerce Graduate and a Member of the British Institute of Management, London and a Fellow Member of The Institute of Company Secretaries of India. He has a total experience of 45 years in the Financial, Secretarial and Corporate Legal matters. He is looking after the Secretarial and legal matters of the Company. He has no other Directorship.

**2. AUDIT COMMITTEE**

The Audit Committee was constituted to provide direction and oversees the audit functions of the company, including the quality of Internal and Management Audits.

The functions of the Audit Committee included Review of Inspections and Audits, compliance with Inspection and Audit Reports and Periodical Review and Accounting Policies & Systems.

**Composition**

The Audit Committee comprised of three Directors and the Committee met 4 times during the year. The details of composition of the Committee and attendance are given below:-



**DYNAVISION LIMITED**

Name of Member	Number of Meetings attended
Sri.K.Venkateswaran	4
Sri.R.P.Agrawal	4
Smt.Janaki Kathpalia	4

The Meetings were chaired by Sri.K. Venkateswaran.

The responsibility of work is distributed equally between the Directors to have better understanding and implementation.

	Audited/ Unaudited	Date of approval by Board	Date of Publication	Newspaper
Quarter ended 30.6.2002	Unaudited	29.07.2002	29.07.2002	News Today
Half Year ended 30.9.2002	Unaudited	30.10.2002	30.07.2002 30.10.2002	Dinamalar News Today
Quarter ended 31.12.2002	Unaudited	31.01.2003	31.10.2002 31.01.2003	Dinamalar News Today
Year ended 31.3.2003	Unaudited	30.04.2003	01.02.2003 30.04.2003 01.05.2003	Dinamalar News Today Dinamalar

### 3. SHARE TRANSFER COMMITTEE/SHAREHOLDERS' GRIEVANCE COMMITTEE

The Committee consists of two Directors, namely, Sri.K.Venkateswaran & Sri.D.Thirunavukarasu. The Committee meets twice a month to decide, approve Share Transfers & Review and to resolve the Shareholders' Grievances and enquiries, etc. In all, twenty four Meetings were held and was duly attended by both the Committee Members. The Meetings were chaired by Sri.K.Venkateswaran.

### 4. REMUNERATION COMMITTEE

As the various aspects of Directors' remuneration, etc. are collectively decided by the Board, the necessity for forming a separate Remuneration Committee does not arise.

### 5. GENERAL BODY MEETINGS

The details of General Body Meetings held in the last 3 years are given below:-

General Body Meeting	Day, Date, Year	Time	Venue
25th AGM	29th Friday, Sept.2000	12.05 pm	Near Dr.VSI Estate, Kottivakkam, Chennai 41.
26th AGM	28th Friday, Sept.2001	12.05 pm	Near Dr.VSI Estate, Kottivakkam, Chennai 41.
27th AGM	30th Monday, Sept.2002	10.00 am	Near Dr.VSI Estate, Kottivakkam, Chennai 41.

### 6. DISCLOSURES

Materially significant related party transactions having potential conflict with the interest of the Company at large. Nil

### 7. STATUTORY COMPLIANCE, PENALTIES AND STRICTURES

Details of non-compliances, penalties, strictures by Stock Exchanges/SEBI/Statutory Authorities on any matter related to Capital Markets during the last three years.

The Company's shares are listed from April 1990 and there are no adverse reports against the Company. The Company has complied with the requirements of the Stock Exchanges, SEBI and Statutory Authorities on all matters related to capital markets. There are no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory Authorities relating to the above.

### 8. PECUNIARY RELATIONSHIP OR TRANSACTIONS WITH THE NON-EXECUTIVE DIRECTORS

Nil

### 9. MEANS OF COMMUNICATION

Financial Results

### 10. GENERAL SHAREHOLDER INFORMATION

Twenty Eighth Annual General Meeting

Date	Time	Venue
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Tuesday, the 30th September, 2003 10 a.m. Near Dr.VSI Estate,  
Kottivakkam, Chennai 41.

Financial Calendar : 1st April to 31st March  
Book Closure : 24th September, 2003 to  
30 th September, 2003  
(both days inclusive)

Record Dates : Nil  
Dividend Payment Date : Not Applicable

Listing with Stock Exchanges (with stock code)

Regional Stock Exchange	Code for Dynavision Ltd.
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Madras Stock Exchange Ltd. DVS  
Exchange Building  
Post Box No.183  
11 Second Line Beach  
Chennai 600 001.

The Stock Exchange, Mumbai 517238  
Phiroze Jeejeebhoy Towers  
25th Floor,Dalal Street  
Mumbai 400 001.

### MARKET PRICE INFORMATION

We have been informed by the Madras Stock Exchange Ltd., that during the Financial Year there was no transaction in the Equity Shares of Dynavision Limited.

### DEMATERIALISATION

The Company's applications to M/s.Central Depository Services (India) Ltd., & M/s. National Securities Depository Ltd., for dematerialisation were rejected by both the depositories, as such the Company's Shares are being handled through manual mode only.

### SHARE TRANSFERS

Number of Share Transfers received	-	275
Transferred	-	269
Rejected during the year	-	6

Registrars & Share Transfer Agents :

M/s. Hi-Tec Share Registry Private Ltd.  
"Murugesu Naicker Office Complex"  
81 Grems Road, Chennai 600 006.  
Tel: 28292272 / 28292273