

# DYNAVISON LIMITED

## ANNUAL REPORT

CERTIFIED TRUE COPY

*For* **DYNAVISON LIMITED**



**K. VENKATESWARAN**  
Director.

## 2003 - 2004

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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.

**BANKERS**

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  
 "Murugesu Naicker Office Complex"  
 81, Greaves Road  
 Chennai - 600 006.  
 Tel : 28292272 / 28292273

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

Notice is hereby given that the Twenty Ninth Annual General Meeting of the Company will be held on Monday, the 27th September, 2004 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 31<sup>st</sup> March, 2004 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 : 30.07.2004

**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 21<sup>st</sup> September, 2004 to 27<sup>th</sup> September, 2004 (both days inclusive).

By Order of the Board

Place : Chennai 41

Date : 30.07.2004

**K. VENKATESWARAN**

Director.

**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, 2004.

**FINANCIAL RESULTS**

(Rs. In lakhs)

	<u>2003-2004</u>	<u>2002-2003</u>
Profit before Interest and Depreciation	<b>158.60</b>	234.25
Less: Interest	<b>22.44</b>	24.38
Profit before Depreciation	<b>136.16</b>	209.87
Less: Depreciation	<b>67.79</b>	66.47
Profit before Tax	<b>68.37</b>	143.40
Provision for Deferred Tax	<b>23.84</b>	54.10
Profit after Deferred Tax	<b>44.53</b>	89.30
Transfer to Debenture Redemption Reserve	<b>44.50</b>	89.00
Surplus carried over to Balance Sheet	<b>0.03</b>	0.30

**PERFORMANCE**

Your Company during the year ended 31.3.2004 assembled 1,20,929 nos. of CTVs & 20,185 nos. of PCBs as against 1,70,452 nos. of CTVs (1,60,614 - Thomson CTVs & 9,838 - Samsung CTVs) and 52,550 nos. of PCBs assembled during the corresponding year ended 31.3.2003 for M/s. Thomson India Private Limited. The production of both CTVs and PCBs shows a decrease by 29% & 61.59% respectively.

The decrease in production reflected in the Income also. The Conversion charges earned during the year ended 31.3.2004 was Rs.384.71 lakhs as against Rs.579.14 lakhs during the earlier year ended 31.3.2003 showing a decrease of 33.57%.

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

The Agreement with M/s. Thomson India Pvt. Ltd. which expired on 31.12.2001 is yet to be renewed. The renewed Agreement as and when signed will become effective from 1.1.2004 only.

The impact if any due to the renewal of the Agreement will be accounted accordingly in the year in which the Agreement is finalised and signed.

**FUTURE PROSPECTS**

Since our Assembling Operation on Job Work basis for M/s. Thomson India Private Limited has gone down considerably with no signs of improvement, your Directors feel the performance for the year 2004-2005 may not be encouraging. However, efforts are on to tie-up with other CTV Manufacturers in the Country.

**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.15.56 Lakhs (Rupees Fifteen Lakhs And Fifty Six Thousand only) have been redeemed during the current Financial Year under reporting, making a total sum of Rs. 137.02 lakhs (Rupees One Hundred and Thirty Seven Lakhs and Two Thousand only) redeemed so far. The Company is taking all steps to redeem the balance amount of Rs.155.33 lakhs plus interest thereon, at the earliest date.

**DIRECTORS**

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

**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 5 (i, ii, iii, iv & v) are clarified as under:-

**5(i) NOTE NO.2**

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

**5(ii) NOTE NO.3**

Upto 2001-2002 the Company were able to reconcile a number of Accounts of Debtors, Creditors and Loans & Advances and necessary treatment have been given in the Accounts in that year itself. The Company is trying to reconcile the Balance of Accounts for which the parties concerned are either not available or not replying to our queries. However, efforts are being continued to get the information from these parties and necessary reconciliation on the treatment of Accounts will be given as and when the parties respond to our queries.

**5(iii & iv) NOTE NOS. 4 & 5**

The Company is treating the Gratuity / Leave Encashment payments on cash basis, which are the consistent policy of the Company.

**5(v) 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:

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 (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 continue to follow the best tradition in Corporate Governance. The high standard of Corporate Governance is maintained through a Board consisting of a set of Independent Directors. The Board's Supervisory Role, Executive Management and the Constitution of the Board Committees comprises of 100% Independent Directors.

**1. BOARD OF DIRECTORS**

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

The Names of Board Members, their attendance at Board Meetings and Board Committee Memberships held by them as on 31.3.2004 are given below:-

Name of Member	Board Meetings attended during the year	Attendance at last AGM (30.09.2003)	Number of other Committee Memberships
<b>Independent Non-Executive Directors</b>			
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	1
<b>Nominee Director</b>			
Sri. J. Narayana Murty	3	Did not attend	Nil

Sri. M. S. Meeramohideen & Sri. D. Thirunavukarasu are the Directors retiring by rotation and are eligible for re-appointment.

Sri. M. S. Meeramohideen is a B.E. (Electronics and Telecommunications Engg.) Graduate from the University of Madras. He joined Dynavision Limited in the year 1977 as an Engineer in the Production Department and through the years has been elevated to various positions and was appointed as a Director Incharge of Production Operations of the Company on 28.4.2000. He has an overall experience of 27 years in the field of Electronics, especially in the Production of Television Receiver Sets and other Electronic Items. He has no other Directorship.

Sri. D. Thirunavukarasu is a Master of Arts Graduate with an additional Qualification in Law. He practised as a Lawyer for one year and also served as Labour & Welfare Officer of M/s. Kothari Textiles Ltd., Coimbatore for a period of eight years. He joined Dynavision Limited in the year 1978 as Personnel Officer and became the Personnel Manager, elevated to the position of Director (Personnel & Administration) in the year 2000. He retired in the year 2001 and was re-appointed as a Director (Personnel & Administration) immediately. He has an overall experience of 36 years in the field of Personnel Management. 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 3 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	3
Sri.R.P.Agrawal	3
Sri.M.S. Meeramohideen	3

The Meetings were chaired by Sri.K. Venkateswaran.

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

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

The Committee consists of two Directors, namely, Sri.K.Venkateswaran & Sri.D.Thirunavukarasu. The Committee meets once or twice a month to decide, approve Share Transfers & Review and to resolve the Shareholders' Grievances and enquiries, etc.

In all, Eighteen 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 Directors' remuneration, etc. are 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
26th AGM	Friday the 28th Sept.2001	12.05 pm	Near Dr.VSI Estate, Kottivakkam, Chennai 41.
27th AGM	Monday the 30th Sept.2002	10.00 am	Near Dr.VSI Estate, Kottivakkam, Chennai 41.
28th AGM	Tuesday the 30th Sept.2003	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

	Audited/ Unaudited	Date of approval by Board	Date of Publication	Newspaper
Quarter ended 30.6.2003	Unaudited	30.07.2003	30.07.2003 31.07.2003	News Today Dinamalar
Half Year ended 30.9.2003	Unaudited	31.10.2003	31.10.2003 01.11.2003	News Today Dinamalar
Quarter ended 31.12.2003	Unaudited	30.01.2004	30.01.2004 31.01.2004	News Today Dinamalar
Year ended 31.3.2004	Unaudited	30.04.2004	30.04.2004 01.05.2004	News Today Dinamalar

### 10. GENERAL INFORMATION FOR SHAREHOLDERS Twenty Ninth Annual General Meeting

Date	Time	Venue
27th September, 2004	10 a.m.	Near Dr.VSI Estate, Kottivakkam, Chennai 41.

Financial Calendar : 1st April to 31st March  
Book Closure : 21st September, 2004 to 27th September, 2004 (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.

**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 DURING THE YEAR

Number of Share Transfers received	-	293
Transferred	-	278
Transmitted	-	3
Duplicate Issued	-	2
Rejected	-	10

Registrars & Share Transfer Agents :

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