

DYNAVISION LIMITED

ANNUAL REPORT

2004 - 2005

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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.

DYNAVISON LIMITED**NOTICE TO SHAREHOLDERS**

Notice is hereby given that the Thirtieth Annual General Meeting of the Company will be held on Friday, the 30th September, 2005 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, 2005 and the Reports of Directors and the Auditors thereon.
2. 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.
3. 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.
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.

SPECIAL BUSINESS

5. To consider and if deemed fit, to pass, with or without modification(s) the following Resolutions as Special Resolutions:-
 - a) "Resolved that the listing of the Company at The Stock Exchange, Mumbai, be de-listed with effect from the date as decided by the Directors. Sri. K. Venkateswaran, Director of the Company be and is hereby authorised to take necessary steps for voluntary de-listing and to make arrangements to publish the same in Newspapers."
 - b) "Resolved that the listing of the Company at Madras Stock Exchange Limited, Chennai, be de-listed with effect from the date as decided by the Directors. Sri. K. Venkateswaran, Director of the Company be and is hereby authorised to take necessary steps for voluntary delisting and to make arrangements to publish the same in Newspapers."

By Order of the Board

Place : Chennai 41
Date : 29.07.2005

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, 2005 to 30th September, 2005 (both days inclusive).

By Order of the Board

Place : Chennai 41
Date : 29.07.2005

K. VENKATESWARAN
Director.

EXPLANATORY STATEMENT

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

SPECIAL BUSINESS**ITEM NO.5**

Since the volume of the Company's shares which are traded on The Stock Exchange, Mumbai and The Madras Stock Exchange Ltd, Chennai, are practically Nil for the past few years, the Directors are of the opinion that it is better to de-list from both the Stock Exchanges.

Your Directors will arrange to complete the formalities if any in getting the Shares de-listed from the above Exchanges. Since such a de-listing requires the approval of the Shareholders in the Annual General Meeting, the above Resolutions are placed before the Members for their approval.

None of the Directors is interested or concerned in these Resolutions.

By Order of the Board

Place : Chennai 41
Date : 29.07.2005

K. VENKATESWARAN
Director.

DYNAVISON LIMITED**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors present their Report together with the Audited Accounts for the year ended 31st March, 2005.

FINANCIAL RESULTS

(Rs. In lakhs)

	2004-2005	2003-2004
Profit/(Loss) before Interest and Depreciation	(98.46)	158.60
Add/Less: Interest	21.25	22.44
Profit/(Loss) before Depreciation	(119.71)	136.16
Add/Less: Depreciation	44.17	67.79
Profit/(Loss) before Exceptional Items	(163.88)	68.37
Add/Less: Exceptional Items	1488.73	--
Profit/(Loss) before Tax	(1652.61)	68.37
Provision for Deferred Tax	(1.73)	23.84
Profit/(Loss) after Deferred Tax	(1654.34)	44.53
Transfer to Debenture Redemption Reserve	--	44.50
Surplus/(Loss) carried over to Balance Sheet	(1654.34)	0.03

In order to comply with the accounting standard No.28 and the Amendment to Clause 49 of the listing agreement with the Stock Exchanges, your Directors have written off all the obsolete items in the Fixed Assets, unrecoverable portion of the Sundry Debtors and other Receivables, Raw Materials etc., amounting to Rs.14,88,73,430 during the year. This has been reflected in the Accounts Statement under the Head "Exceptional Items".

PERFORMANCE

Your Company during the year ended 31.3.2005 assembled 15,136 nos. of CTVs & 1,800 nos. of PCBs as against 1,20,929 nos. of CTVs and 20,185 nos. of PCBs assembled during the corresponding year ended 31.3.2004 for M/s. Thomson India Private Limited. The production of both CTVs and PCBs shows a decrease by 87.48% & 91.08% respectively.

The Company's performance during the year was adversely affected due to M/s. Thomson India Private Limited, deciding to suspend their operations. As a result of this, your Company's production activities have come down to a negligible level.

During the year, your Company earned through Conversion Charges Rs. 54.81 lakhs as against Rs. 384.71 lakhs during the earlier year ended 31.3.2004.

Since there was no production activities, most of the employees left the services of the Company during the year. The Company managed to retain a minimum strength for the up keep of the Machinery, Factory Premises and Accounts & Personnel Divisions.

In the prevailing circumstances, your Directors regret that they are not in a position to foresee any future and they are, in consultation with the Promoters, trying to explore the possibilities of bringing in some activity into the Company.

AGREEMENT WITH M/S. THOMSON INDIA PRIVATE LIMITED

Since M/s. Thomson India Pvt. Ltd. have closed down their activities with our Company, the question of renewal of the Agreement with them does not arise. The settlement between the Companies is being referred to Arbitration.

FUTURE PROSPECTS

Since the company's order book position shows nil order on hand, it is very difficult to predict the future of the company. However your company is exploring the possibility of bringing in some business during the ensuing period.

SEGMENT - WISE PERFORMANCE

During the year the Company had a single segment activity only. As such segment-wise reporting does not arise.

DEBENTURE REDEMPTION - PUBLIC

A sum of Rs.0.76 Lakhs (Rupees Seventy Six Thousand only) have been redeemed during the current Financial Year under reporting, making a total sum of Rs. 137.06 lakhs (Rupees One Hundred and Thirty Seven Lakhs and Six Thousand only) redeemed so far. The Company is taking all steps to redeem the balance amount of Rs.155.29 lakhs plus interest thereon, at the earliest date.

DIRECTORS

Sri. K. Venkateswaran & Sri R. P. Agrawal, 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

With regard to the Auditor's Report on "Going Concern", the Management is of the view that the Fixed Assets available on hand is adequate to carry out the manufacturing activity of the Company. The Company is also actively exploring the possibility of getting orders. Accordingly, the Company is of the view that preparations of accounts on "Going Concern" basis is still relevant.

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 is annexed hereto and forms an integral part of this Report.

CORPORATE GOVERNANCE

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 31.3.2005 are given below:-

Name of Member	Board Meetings attended during the year	Attendance at last AGM (30.09.2004)	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	3	Present	1
Sri.M.S. Meeramohideen	4	Present	1
Nominee Director			
Sri. J. Narayana Murty	3	Did not attend	Nil

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

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 47 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.

Sri. R. P. Agrawal is a Commerce Graduate having 39 years of experience in dealing Financial matters. He is in charge of Finance and Accounts 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 of 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:-

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 in a month to decide, approve Share Transfers & Review and to resolve the Shareholders' Grievances and enquiries, etc.

In all, Twelve 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
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.
29th AGM	Monday the 27th Sept.2004	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 30.6.2004	Unaudited	30.07.2004	30.07.2004	News Today
Half Year ended 30.9.2004	Unaudited	29.10.2004	31.07.2004	Dinamalar
Quarter ended 31.12.2004	Unaudited	31.01.2005	29.10.2004	News Today
Year ended 31.3.2005	Unaudited	29.04.2005	30.10.2004	Dinamalar
			31.01.2005	News Today
			01.02.2005	Dinamalar
			29.04.2005	News Today
			29.04.2005	Maalaisudar