

DYNAVISION LIMITED

ANNUAL REPORT

CERTIFIED TRUE COPY
For DYNAVISION LIMITED


K. VENKATESWARAN
Director.

2006 - 2007

DYNAVISON LIMITED**DIRECTORS**

Sri. K. Venkateswaran Director retire by rotation and being eligible, offer himself for re-appointment.

Since the Company has been De-Registered by the BIFR at their Hearing held on 24.04.2007, Sri. J. Narayanamurthy ceases to be a Nominee Director. However, he continues as an Independent Director on the Board.

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 preparation 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 consisted of 2 Executive Directors and one Independent Director.

The Names of Board Members, their attendance at Board Meetings and Board Committee Memberships held by them as on 31.3.2007 are given below:-

Name of Member	Board Meetings attended during the year	Attendance at last AGM (30.09.2006)	Number of other Committee Memberships
Executive Directors			
Sri.K.Venkateswaran	4	Present	3
Sri.M.S.Meeramohideen	4	Present	3
Independent Non-Executive Director			
Sri.J.Narayana Murthy	3	Present	3

Sri. K. Venkateswaran is the Director retiring by rotation and is 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 49 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 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. J. Narayanamurthy	3
Sri.K.Venkateswaran	3
Sri.M.S. Meeramohideen	3

The Meetings were chaired by Sri. J. Narayanamurthy

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

3. SHARE TRANSFER COMMITTEE/SHAREHOLDERS' GRIEVANCE COMMITTEE

The Committee consisted of two Directors, namely, Sri.K.Venkateswaran & Sri. M.S. Meeramohideen. In all, eight Meetings were held and were duly attended by both the Committee Members. The Meetings were chaired by Sri.K.Venkateswaran.

DYNAVISON LIMITED**4. REMUNERATION COMMITTEE**

All the three Directors namely Sri. K. Venkateswaran, Sri. J. Narayanamurthy and Sri. M. S. Meeramohideen are Members of the Remuneration Committee. All the increments/remuneration etc., are decided at the Board Meetings collectively.

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
29th AGM	Monday the 27th Sept. 2004	10.00 am	Near Dr.VSI Estate, Kottivakkam, Chennai 41.
30th AGM	Friday the 30th Sept. 2005	10.00 am	Near Dr.VSI Estate, Kottivakkam, Chennai 41.
31st AGM	Friday the 29th Sept. 2006	10.15 am	Near Dr.VSI Estate, Kottivakkam, Chennai 41.

6. DISCLOSURES

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

b. Both Executive and Non-Executive Directors are not holding any Shares/convertible instruments in the Company.

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 30.6.2006	Unaudited	31.07.2006	31.07.2006	News Today
Half Year ended 30.9.2006	Unaudited	31.10.2006	31.10.2006	Maalaisudar
Quarter ended 31.12.2006	Unaudited	31.01.2007	31.01.2007	News Today
Year ended 31.3.2007	Unaudited	30.04.2007	30.04.2007	Maalaisudar

BOARD MEETINGS

During the year under review four Board Meetings were held on the following dates:

31.07.2006, 31.10.2006, 31.01.2007 and 30.04.2007

All the Board Meetings were held at the Company's Regd. Office at Near Dr. VSI Estate, Kottivakkam, Chennai - 41.

10. GENERAL SHAREHOLDER INFORMATION**Thirtysecond Annual General Meeting**

Date	Time	Venue
Friday the 28th September. 2007	10.15 a.m.	Near Dr.VSI Estate, Kottivakkam, Chennai 41.

Financial Calendar	: 1st April to 31st March
Book Closure	: 22nd September, 2007 to 28th September, 2007 (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., vide their letter dt 18.07.2007, that during the Financial Year there was no transaction in the Equity Shares of Dynavision Limited. However as per information derived from the website of Stock Exchange Mumbai the highest and lowest price quoted during the year were Rs. 12.90 and 12.10 respectively.

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	-	52
Transferred	-	48
Transmitted	-	1
Duplicate Issued	-	1
Rejected	-	4

Share holding pattern of Dynavision Limited as at March 31, 2007

SL. NO.	CATEGORY	NO.OF SHARES HELD	PERCENTAGE OF SHAREHOLDING
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A PROMOTERS' HOLDING

1	Promoters		
	-Indian Promoter-Sri.P.Obul Reddy	1746690	45.49
	-Foreign Promoters	Nil	Nil
2	Person acting in concert	Nil	Nil
	Sub-Total(A)	1746690	45.49

DYNAVISON LIMITED**B NON-PROMOTERS' HOLDING**

1	Institutional Investors	Nil	Nil
2	Mutual Funds and UTI	Nil	Nil
3	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/ Non-Govt. Institutions)		
	-TIDCO	1000	0.03
4	FIIS	Nil	Nil
	Sub-Total (B)	1000	0.03

C OTHERS

1	Private Corporate Bodies	112620	2.93
2	Indian Public	1979690	51.55
3	NRIs/OCBs	Nil	Nil
4	Any Other	Nil	Nil
	Sub-Total(C)	2092310	54.48
	GRAND TOTAL (A+B+C)	3840000	100.00

NOTE: 1 TOP 10 SHAREHOLDERS AS ON 31.3.2007

Name	Category	Shares	%
Sri. P. Obul Reddy	Promoter	1746690	45.49
Sri. P. Dwaraknath Reddy	Public	127000	3.31
Sri. P. Vijayakumar Reddy	Public	125120	3.26
PPN Holdings Ltd.	Corporate Bodies	91260	2.38
Preetha Investments Pvt. Ltd.	Corporate Bodies	10040	0.26
Sri. Purushottam Dass Tapania	Public	8730	0.22
Sri. Bhagwati Dolatrai Shah	Public	5940	0.15
Sri. Kanaka Mahalakshmi V	Public	5600	0.15
PDR Investments Pvt. Ltd.	Corporate Bodies	5300	0.14
Sri. Radhesham S. Mahajan	Public	5200	0.14
	Total	2130880	55.50

NOTE: 2

Total Foreign Share holdings including GDR & ADR Holdings--Nil

NOTE: 3

Company Website: -- Nil

DISTRIBUTION OF SHARES HELD AS AT MARCH 31, 2007

No. of Shares Held	No. of Share Holders	% of Total	Share Amount	% of Total
Upto 5000	23363	99.95	17042700	44.38
5001 10000	6	0.03	356200	0.93
10001 20000	1	0.00	100400	0.26
20001 30000	0	0.00	0	0.00
30001 40000	0	0.00	0	0.00
40001 50000	0	0.00	0	0.00
50001 100000	1	0.00	912600	2.38
100000 & Above	3	0.02	19988100	52.05
Total	23374	100.00	3840000	100.00

Declaration:

The Board has laid down a code of Conduct for all Board Members and Senior Management Staff of the Company which reads as follows:

Code of Conduct for Board members and the Senior Management

Members of the Board and the Senior Management, shall

- Always act in the best interests of the Company and its stakeholders.
 - Adopt the highest standards of personal ethics, integrity, confidentiality and discipline in dealing with all matters relating to the Company.
 - Apply themselves diligently and objectively in discharging their responsibilities and contribute to the conduct of the business and the progress of the Company, and not be associated simultaneously with competing organisations either as a Director or in any managerial or advisory capacity, without the prior approval of the Board.
 - Always adhere and conform to the various statutory and mandatory regulations/guidelines applicable to the operations of the Company avoiding violations or non-conformities.
 - Not derive personal benefit or undue advantages (financial or otherwise) by virtue of their position or relationship with the Company, and for this purpose.
 - shall adopt total transparency in their dealings with the Company.
 - shall disclose full details of any direct or indirect personal interests in dealings/transactions with the Company.
 - shall not be party to transactions or decisions involving conflict between their personal interest and the Company's interest.
 - Conduct themselves and their activities outside the Company in such manner as not to adversely affect the image or reputation of the Company.
 - Inform the Company immediately if there is any personal development (relating to his/her business/professional activities) which could be incompatible with the level and stature of his position and responsibility with the Company.
 - Bring to the attention of the Board, Chairman or the Managing Director as appropriate, any information or development either within the Company (relating to its employees or other stakeholders) or external, which could impact the Company's operations, and which in the normal course may not have come to the knowledge of the Board/Chairman or Managing Director.
 - Always abide by the above Code of Conduct, and shall be accountable to the Board for their actions/violations/defaults.
- The Board Members and Senior Management Staff of the Company have affirmed and compliance with the code of conduct.

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.

For and on behalf of the Board

Place : Chennai 41

K. VENKATESWARAN

Date : 31.07.2007

Director.

M.S. MEERAMOHIDEEN

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>2006-2007</u>	<u>2005-2006</u>
Units (KWH)	29,290	32,713
Cost (Rs.)	1,47,726	1,59,513
Rate Per Unit (Rs.)	5.04	4.87

For and on behalf of the Board

Place : Chennai 41

K. VENKATESWARAN

Date : 31.07.2007

Director.

M.S. MEERAMOHIDEEN

Director.

DYNAVISION LIMITED**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE****To the Members of Dynavision Limited**

We have examined the compliance of conditions of Corporate Governance by Dynavision Limited for the year ended 31st March, 2007 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s).

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained and certified by the Company, there were no investor grievances remaining unattended/pending for more than 30 days as at 31st March, 2007.

We further state that such compliance is neither an assurance as to the future viability of Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **P. CHANDRASEKAR**
Chartered Accountants

K. PARTHASARATHY
Partner
Membership No: 9574

Place : Chennai 4
Date : 31.07.2007

REPORT OF THE AUDITORS TO THE MEMBERS OF DYNAVISION LIMITED

1. We have audited the attached Balance Sheet of Dynavision Limited as at 31st March, 2007 and also the Profit & Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Financial Statements based on our audit.
2. We conducted our Audit in accordance with 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 disclosures 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 for our opinion.

3. As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure, a Statement on the matters specified in Paragraphs 4 and 5 of the said order to the extent they are applicable to the Company.
4. Further to our comments in the Annexure referred to above, we report that:-
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit.
 - b. In our opinion, proper Books of Account as required by Law have been kept by the Company, so far as it appears from our examination of such Books.
 - c. The Balance Sheet, Profit and Loss Account and Cashflow Statement referred to in this Report are in agreement with the Books of Account produced.
 - d. In our opinion the Balance Sheet, Profit & Loss Account and Cashflow Statement dealt with by this Report, comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956 to the extent such Standards have been made applicable by the Institute of Chartered Accountants of India.
 - e. Due to non-redemption of the Debentures on the due dates, all the Directors are disqualified from being appointed as Director of any other Company in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
5. Attention is invited to the following:

The Accounts have been prepared on principles applicable to a "Going Concern" despite significant erosion in Net Worth and further viability depends on future operations which appears to be uncertain at this stage.

6. Subject to our observation in para (5) above, the effect of which on the Financial Statements of the company is not ascertainable at this stage, in our opinion and to the best of our information and according to the explanations given to us, the said Accounts read together with the notes thereon and schedules attached thereto give the information required by the Companies Act 1956, in the manner so required and give a true and fair view, in conformity with the Accounting Principles generally accepted in India.
 - i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007;
 - ii. In the case of Profit and Loss Account, of the Loss for the year ended on that date; and
 - iii. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **P. CHANDRASEKAR**
Chartered Accountants

Place : Chennai 4
Date : 31.07.2007

K. PARTHASARATHY
Partner
Membership No. : 9574