



DYNAVISION LIMITED

ANNUAL REPORT

2014 - 2015

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BOARD OF DIRECTORS

Sri. R. P. AGRAWAL
Sri. M. S. MEERAMOHIDEEN
Sri. J. NARAYANA MURTY
Sri. N. GOVINDAN
Smt. LAKSHMMI SUBRAMANIAN

AUDITORS

M/s. P. CHANDRASEKAR
Chartered Accountants
New No. 6, 2nd Floor,
Krishnaswamy Avenue,
Luz, Mylapore,
Chennai - 600 004.

BANKERS

INDIAN OVERSEAS BANK,
CHENNAI - 600 041.

REGISTERED OFFICE

3rd Floor, JHAVER PLAZA
No. 1-A, Nungambakkam High Road
Chennai - 600 034
Phone: 044-28263651 Fax: 044-42040995
Web: www.dynavision.in
E-mail: dvl@dynavision.in
investors@dynavision.in

SECRETARIAL AUDITOR

P. S. Srinivasan B.A., L.L.B., A.C.A., A.C.S
Practising Company Secretary
No.22, (Old No. 1895), 18th Street
Thiruvalluvarkudiyurppu
Anna Nagar West, Chennai - 600 040.
Email: pssrinivasan1939@gmail.com

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Fortieth Annual Report of Dynavision Limited along with the audited financial statements for the year ended 31st March, 2015.

FINANCIAL RESULTS

| | (Rs. In lakhs) | (Rs. In lakhs) |
|--|------------------|------------------|
| | <u>2014-2015</u> | <u>2013-2014</u> |
| Profit/(Loss) before Interest and Depreciation | 380.21 | 13.70 |
| Add/Less: Interest | - | 0.09 |
| Profit before Depreciation | 380.21 | 13.79 |
| Add/Less: Depreciation | 1.05 | 0.75 |
| Profit/(Loss) before Tax | 379.16 | 13.04 |
| Exceptional Item | - | - |
| Tax Expenses related to earlier years | - | - |
| Profit/(Loss) carried over to Balance Sheet | 379.16 | 13.04 |

PERFORMANCE AND STATE OF AFFAIRS OF THE COMPANY

The Company during the year earned a sum of Rs. 432.15 lacs as lease rental income. The corresponding figure for the previous year was Rs.61.29 lacs.

At present, the earnings of the company is through lease rent only and it will remain so till the accumulated losses are wiped out entirely and a sufficient cash reserves achieved to take a fresh venture. During the financial year 2015-16 your company shall be earning Rs.465.00 lacs as lease rental income.

During the year under review there is no change in the nature of activity of the company.

DIVIDEND

Considering the huge accumulated losses, your Board of Directors could not recommend any dividend to the Shareholders for the financial year ended 31.03.2015.

TRANSFER OF PROFIT TO RESERVES

The Company has not proposed to transfer any of its profits to reserves in view of the Carried forward losses.

MATERIAL CHANGE AND COMMITMENTS OF THE COMPANY

There are no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report; and there are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

There have been no loan, guarantees and investment given or made by the Company under Section 186 of the Act during the financial year 2014 – 2015.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The company doesn't have any subsidiaries, associates and joint venture companies.

TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information as required to be disclosed on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure I" to this Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL**Retirement by Rotation**

In terms of Section 152 of the Companies Act 2013, Shri M.S.Meeramohideen, who retire by rotation at the forthcoming AGM and is eligible for re-appointment. Shri M.S.Meeramohideen offers himself

for re-appointment. Brief profile is mentioned in the Notice of forthcoming Annual General Meeting of the company

Independent Director

Smt. Lakshmmi Subramanian was appointed as independent director on 11.11.2014, based on the recommendation of Nomination and Remuneration Committee.

The Board recommends her appointment and accordingly resolution seeking approval of the members for her appointment has been included in the Notice of forthcoming Annual General Meeting of the company along with her brief profile.

INDEPENDENT DIRECTORS' DECLARATION

All independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 of the Companies Act, 2013 which has been relied on by the Company and placed at the Board Meeting of the Company.

AUDITORS

STATUTORY AUDITORS

Pursuant to the provisions of section 139 of the Act and the rules framed there under, M/s. P. Chandrasekar, Chartered Accountants, (firm registration no. 000580s) were appointed auditors of the company from the conclusion of the 39th Annual General Meeting (AGM) of the company held on 30th September 2014 till the conclusion of AGM to be held in 2017, subject to ratification of their appointment at every AGM.

COMMENT ON STATUTORY AUDITOR REPORT

There are no qualifications, reservations, remarks or disclaimers made by M/s. P. Chandrasekar, Statutory auditor, in their audit report. The statutory auditor have not reported any incident of fraud to the Audit Committee of the Company during the financial year 2014-15.

SECRETARIAL AUDITOR

Pursuant to the requirements of Section 204 (1) of the companies Act 2013 and Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company has appointed, Mr.P.S.Srinivasan, Practicing Company Secretary (Membership:No1090, CP No.3122.) to conduct secretarial audit for the financial year 2014-15.

The Secretarial Audit report as received from the secretarial auditor is annexed to this report as Annexure II.

COMMENT ON SECRETARIAL AUDITOR REPORT

With reference to the remarks made by the secretarial auditor, Mr. P.S.Srinivasan, Practicing Company Secretary bearing (Membership No 1090 CP No. 3122.), in his Secretarial Audit Report, the company has taken the corrective measures during the current financial year.

INTERNAL CONTROL AND ITS ADEQUACY

M/s R.Subramanian & Company, Chartered Accountant (Firm Reg No. 004137s) were appointed as internal auditors of the Company. They regularly conduct audit and submit their quarterly reports, which are reviewed by the Audit Committee. The Company has an adequate Internal Control system, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

RELATED PARTY TRANSACTIONS

During the year 2014 – 2015, the Company had not entered into any material transaction with related parties as per section 188 of the Companies Act, 2013. Hence the question of reporting under the requirement of said section doesn't arise.

However, the company has entered in to a lease agreement with a party in which the promoter of your company has significant influence and the details of the same is available in the Notes on Accounts.

EXTRACT OF ANNUAL RETURN

The details forming part of extract of Annual Return in form MGT -9 as provided under Sub Section (3) of the Section 92 of the Companies Act, 2013 (the "Act") is annexed herewith as Annexure –III to this report.

PERSONNEL

The information required under Section 197(12) of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company, forms part of this Report as Annexure IV.

RISK MANAGEMENT POLICY

The risk management is overseen by the Audit committee of the company in a continuous basis. Major risks, if any, identified by the business and functions are systematically addressed through mitigating action on a continuous basis. The Risk Management policy is available on the Company website www.dynavision.in

DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Presently the total number of employees are less than the statutory limit and hence the company has not constituted a separate committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

However the company has zero tolerance for sexual harassment at workplace.

During the financial year 2014-15, the Company has not received any sexual harassment complaints.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Presently the company has very limited activity, No management discussion at large has taken place during the year.

DEPOSITS FROM PUBLIC

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on date of the balance sheet.

CORPORATE GOVERNANCE REPORT

Since your company's paid up Equity capital and Net worth is less than Rs.10 crores and Rs.25 crores respectively, the provisions of revised Clause 49 relating to Corporate Governance, vide SEBI circular number CIR/CFD/POLICY CELL/7/2014 dated 15th September 2014 is not applicable to the company.

NUMBER OF MEETINGS OF THE BOARD

In total 4(four) Meetings of the Board of Directors of the Company were held during the year 2014-15, held on 2nd May 2014, 11th August 2014, 11th November 2014 and 11th February 2015. The maximum time gap between any two consecutive meetings did not exceed 120 days.

PERFORMANCE EVALUATION OF BOARD, COMMITTEE AND DIRECTORS

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of the Audit and Nomination & Remuneration Committees and the same was based on questionnaire and feedback from all the Directors on the Board as a whole, Committees and self-evaluation.

A structured questionnaire was prepared after taking into consideration of the inputs received from the Directors, covering various aspects of the Board's

functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interests of the Company and its minority shareholders etc.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman of the Board and the Executive Directors was carried out by the Independent Directors.

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

The Board of Directors had adopted a Code of Conduct for the Board Members and employees of the company. This Code helps the Company to maintain the Standard of Business Ethics and ensure compliance with the legal requirements of the Company.

The Code is aimed at preventing any wrongdoing and promoting ethical conduct at the Board and employees. The Compliance Officer is responsible to ensure adherence to the Code by all concerned.

The Code lays down the standard of conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

WHISTLE BLOWER POLICY/VIGIL MECHANISM

As the activity in the company is very limited, company does not have a whistle blower policy framed at present. However, a full fledged policy shall be in place once the activity in the company takes-off. Further, Directors and employees are having full access to the audit committee to report their genuine and serious concern if they observe any.

POLICY OF DIRECTORS' APPOINTMENT AND REMUNERATION

Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under section 178 of the Act are covered under the Board's policy formulated by the Company and is available on the Company website www.dynavision.in

BOARD COMPOSITION

The Board is well constituted with composition of two executive and three non-executive independent directors in the meeting.

| Category | Name of Director |
|-------------------------------------|--|
| Executive Director | Mr.R.P.Agarwal Mr.M. S. Meeramohideen |
| Independent Non-Executive Directors | Mrs.Lakshmmi Subramanian Mr.N.Govindan Mr.J.Narayanamurthy |

Board Committees

The Board has constituted the following committees viz. Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee.

Audit Committee**(A) Qualified and Independent Audit Committee**

The Company complies with Section 177 of the Companies Act, 2013 the Audit Committee. Its functioning is as under:

- (i) The Audit Committee presently consists of two whole time directors and three Independent Directors.
- (ii) All members of the Committee are financially literate and having the requisite financial management expertise;
- (iii) The Chairman of the Audit Committee is an Independent Director;
- (iv) The Chairman of the Audit Committee was present at the last Annual General Meeting held on 30th September 2014.

(B) Terms

The terms of reference of the Audit Committee include:

- the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- examination of the financial statement and the auditors' report thereon;
- approval or any subsequent modification of transactions of the company with related parties;
- scrutiny of inter-corporate loans and investments

- valuation of undertakings or assets of the company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters.

Powers of Audit Committee:

The Audit committee shall have the authority –

- To call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board.
- To discuss any related issues with the internal and statutory auditors and the management of the company
- To investigate into any matter in relation to the items or referred to it by the Board
- To obtain professional advice from external sources
- To have full access to information contained in the records of the company.

(C) Composition, names of Members and Chairperson, its meetings and attendance:

The composition of the Committee consists of Mr.N.Govindan, an independent Director, its Chairman, Mr.R.P.Agrawal, Mr. M.S.Meeramohideen, Mr.J.Narayanamurthy and Mrs. Lakshmmi Subramanian are as members of the committee. During the year, 4 Audit Committee meetings were held on 2nd May'14, 11th August'14, 11th November'14 and 11th February'15.

The composition of the Audit Committee and number of meetings attended by the Members during the year are given below:

| Name of Member | Category | Meetings held during FY 2015 | Meetings attended |
|--------------------------|-----------------------|------------------------------|-------------------|
| Mr. N.Govindan | Independent/ chairman | 4 | 4 |
| Mr.J.Narayanamurty | Independent | 4 | 4 |
| Mrs.Lakshmmi Subramanian | Independent | 2 | 2 |
| Mr. R.P.Agrawal | Whole Time Director | 4 | 4 |
| Mr. M.S.Meeramohideen | Whole Time Director | 4 | 4 |

The Committee meetings was attended by the representatives of Statutory Auditors on invitation.

Nomination and Remuneration Committee

(A) Constitution

All the five Directors namely Shri.N.Govindan, Shri J.Narayanamurty, Shri R.P.Agrawal, Shri. M.S.Meeramohideen and Mrs. Lakshmmi Subramanian are Members of the Nomination and Remuneration Committee. Shri N.Govindan being the chairman of the committee. All increments/ remuneration etc are decided at the Meetings collectively.

(B) Terms of reference

Terms of reference of the Nomination and Remuneration Committee include:

- The Committee shall formulate the criteria for determining the qualification, positive attributes and independence of a director and recommend

to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

- The Committee shall identify persons who are qualified to become directors and who may be appointed in senior management positions in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- The Committee shall ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets performance benchmarks, and involves a balance between fixed and incentive pay.
- Review the policy from time to time for selection and appointment of Directors and senior management employees and their remuneration;
- Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company.

- Filling up of vacancies in the Board that might occur from time to time and appointment of additional Non-Executive Directors. In making these recommendations, the Committee shall take into account the special professional skills required for efficient discharge of the Board's functions.
- Recommendation to the board with regard to retirement of Directors, liable to retire by rotation and appointment of Executive Directors.
- To determine and recommend to the Board from time to time
 - (a) The amount of commission and fees payable to the Directors within the applicable provisions of the Companies Act, 2013.
 - (b) The amount of remuneration, including performance or achievement bonus and perquisites payable to the Executive Directors
 - (c) To frame guidelines for Reward Management and recommend suitable schemes for the Executive Directors and Senior Management.
- To determine the need for key man insurance for any of the company's personnel
- To carry out the evaluation of every director's performance
- To carry out any function as is mandated by the Board from time to time and /or enforced by any statutory notification, amendment or modifications as may be applicable.

(C) Meetings and attendance during the year:

During the year, two meetings of Nomination and Remuneration Committee were held on 11th August 2014 and 11th November 2014.

The number of meetings attended by the members during the year are given below.

| Name of Member | Category | Meetings held during FY 2015 | Meetings attended |
|--------------------------|-----------------------|------------------------------|-------------------|
| Mr. N.Govindan | Independent/ chairman | 2 | 2 |
| Mr.J.Narayanamurty | Independent | 2 | 2 |
| Mrs.Lakshmmi Subramanian | Independent | 2 | 1 |
| Mr. R.P.Agrawal | Whole Time Director | 2 | 2 |
| Mr. M.S.Meeramohideen | Whole Time Director | 2 | 2 |

(D) Remuneration policy

The Board has, on the recommendation of the Nomination & Remuneration Committee approved a policy for selection and appointment of Directors, Senior Management and for determining their remuneration. Remuneration Policy of the Company is available in the company website www.dynavision.in

(c) Details of Remuneration to Directors

| Details of Remuneration to Directors | Mr.R.P.Agrawal | M.S.Meeramohideen |
|--------------------------------------|----------------|-------------------|
| Salary & perquisites | 5,38,100 | 5,13,048 |
| Contribution to Retirement funds | NIL | NIL |
| Stock options | NIL | NIL |
| Number of Shares held | NIL | NIL |
| Service Contracts | NIL | NIL |
| Notice period | One Month | One Month |

Notes:

There has been no pecuniary relationship or transactions other than above of the Non-Executive Independent Directors vis-à-vis the Company during the year under review.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee specifically looks into issues such as redressing of shareholders' and investors' complaints such as transfer of shares, non-receipt of shares, non-receipt of declared dividends and ensuring expeditious share transfers and also redresses the grievances of deposit holders, debenture holders and other security holders.

(A) Composition, Members, its meetings and attendance

This Committee comprises of Mr. N.Govindan as Chairman with Mr.R.P.Agrawal and Mr. M.S.Meeramohideen as members of the Committee.

The composition of the Stakeholders Relationship Committee and number of meetings attended by the Members during the year are given below:

| Name of Member | Category | Meetings held during FY 2015 | Meetings attended |
|-----------------------|-----------------------|------------------------------|-------------------|
| Mr. N.Govindan | Independent/ chairman | 7 | 7 |
| Mr. R.P.Agrawal | Whole Time Director | 7 | 7 |
| Mr. M.S.Meeramohideen | Whole Time Director | 7 | 7 |

CORPORATE SOCIAL RESPONSIBILITY (CSR):

Your company is not having Net profits of more than 5 Crore rupees, in the Year 2013-14 and therefore Constituting of a CSR committee in accordance with the provisions of section 135 of the Act does not arise.

GENERAL INFORMATION:

- 1) **AGM Date, Time and Venue:** 30th September 2015 at 10.30a.m
Shri Vidya Kalyan Mahal,
Old. No. 142, (L.B.Road),
New No. 74,
Kalki Krishnamoorthy Salai,
Thiruvannmiyur,
Chennai- 600041
- 2) **Financial Calendar**

| | |
|--------------------|-------------------------------|
| 1st Quarter | -1st April to 30th June |
| 2nd Quarter | -1st July to 30th September |
| 3rd Quarter | -1st October to 31st December |
| 4th & last Quarter | -1st January to 31st March |
- 3) **Date of Book Closure** Thursday 24th September 2015 to Wednesday 30th September, 2015
(Both days inclusive)
- 4) **Record Dates** Nil
- 5) **Dividend Payment Date** Not Applicable
- 6) **Listing with Stock Exchanges (with Stock Code)**

Regional Stock Exchange Code for Dynavision Ltd.

The Stock Exchange, Mumbai 517238
Phiroze Jeejeebhoy Towers
25th Floor, Dalal Street
Mumbai 400 001.
- 7) **Listing Fees was Paid for all the above stock exchanges for 2014-2015 and 2015-16**
- 8) **Address of Registered office**

3rd Floor, JHAVER PLAZA,
1-A, Nungambakkam High Road,
Chennai- 600 034
Phone: +91 44 28263651
Fax : +91 44 42040995
Web site: www.dynavision.in
Email: dvl@dynavision.in

E-Mail ID of Investor Grievance redressal cell:
investors@dynavision.in