



# **DYNAVOX INDUSTRIES LTD.**

(FORMERLY KNOWN AS DYNAVOX ELECTRONIC LTD.)



**16th Annual Report**

**1 9 9 8 - 9 9**

**BOARD OF DIRECTORS**

<b>W. T. BALAJI</b>	Managing Director
<b>M. K. JAIN</b>	Director
<b>K.KUMAR SUBRAMANIAN</b>	Director *
<b>PRAFUL JOSHI</b>	Director **

**AUDITORS**

Shankarlal Jain & Associates, Mumbai.

**BANKERS**

State Bank of Hyderabad  
The Karnataka Bank Ltd.  
SBI Commercial & International Bank Ltd.  
Indian Overseas Bank

**LEGAL ADVISOR**

K. Parthsarathy

**REGD. OFFICE**

115, T.V. Industrial Estate, 248, S. K. Ahire Marg, Worli, Mumbai 400 025.

**DIVISIONAL OFFICES**

**Delhi Branch** : 408, Devika Towers, 6 Nehru Place, New Delhi 110 019.  
**Madras Branch** : 30, 1st Main Road, C.I.T. Nagar, Madras 600 035.  
**Calcutta Branch** : Shivam Chambers, 4th Floor, 53, Syed Amir Ali Avenue, Calcutta 700 017.  
**Hyderabad Branch** : G-9, Amrutha Villa, Raj Bhavan Road, Samajiguda, Hyderabad 500 482.

**REGISTRARS & TRANSFER AGENTS**

Spectrum Corporate Services Ltd.  
Shree Ganesh Industrial House, 1st Floor, 'B' Wing, Near, Amar Cinema,  
Waman Tukaram Patil Marg, Chembur, Mumbai 400 071.

**DAY, DATE AND VENUE OF AGM**

Monday, 31st January, 2000 AT 9.30 a.m.  
Jasubhai Convention Hall, 6<sup>th</sup> Floor, Tower Block,  
292, J. Y. Marg, Mumbai 400 022.

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\* Resigned w.e.f. 30.07.1999  
\*\* Joined w.e.f. 26.06.1998

## Sixteenth Annual Report 1998-99

### NOTICE OF THE ADJOURNED 16<sup>TH</sup> ANNUAL GENERAL MEETING

NOTICE is hereby given that the Adjourned 16<sup>th</sup> Annual General Meeting of Dynavox Industries Ltd. will be held at 'Jasubhai Convention Hall', 6<sup>th</sup> Floor, Tower Block, 292, J.Y. Marg, Mumbai 400 022 on Monday, 31<sup>st</sup> January 2000 at 9.30 a.m. to transact the following business, a copy of which was circulated earlier to the members as set out in the notice dated 7<sup>th</sup> November 1999.

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss account for the period ended 31<sup>st</sup> March 1999 and the audited Balance Sheet as at 31<sup>st</sup> March 1999.
2. To appoint a Director who retires by rotation and being eligible, offers himself for Re-appointment.
3. To Re-appoint the Auditors to hold office from the conclusion of this meeting, until the conclusion of the next Annual General Meeting of the company and to fix their remuneration.
4. To authorise the Board of Directors of the company to appoint Branch Auditors for the Company's Divisional offices located at Calcutta, Chennai, New Delhi, Hyderabad and any other branches if any, and to fix their remuneration.

For DYNVOX INDUSTRIES LTD.

**W. T. BALAJI**  
Managing Director

#### Regd. Office:

115, T. V. Industrial Estate,  
Worli, Mumbai – 400 025.

Mumbai : 3<sup>rd</sup> January, 2000

#### NOTES:

- (A) A member of the company entitled to attend and vote, is entitled to appoint another person as his/her proxy to attend and vote instead of himself /herself, and that other person need not be a member. The proxy, in order to be effective, must be received by the company not less than 48 hours before the commencement of the adjourned annual general meeting.

### NOTICE OF AN EXTRA-ORDINARY GENERAL MEETING

NOTICE is hereby given that an Extra-Ordinary General Meeting of Dynavox Industries Ltd. will be held at 'Jasubhai Convention Hall', 6<sup>th</sup> Floor, Tower Block, 292, J.Y. Marg, Mumbai 400 022 on Monday 31<sup>st</sup> January 2000 at 10.00 a.m. to transact the following business.

#### SPECIAL BUSINESS:

1. To consider and, if thought fit, to pass the following resolution, as an Ordinary Resolution with or without modification/s:  
"Resolved that pursuant to Sections 198, 269 and 309 read with other applicable provisions if any and Schedule XIII of the Companies Act, 1956 and subject to such approvals as may be necessary under the provisions of the act, the company in general meeting hereby approves the re- appointment and payment of remuneration to Mr. W.T. Balaji as the Managing Director of the company for a period of five years from 1<sup>st</sup> July, 1999, on a salary, commission and perquisites payable to him on the same terms and conditions as approved by the shareholders at the Extra – Ordinary General Meeting of the company held on 14<sup>th</sup> June, 1994 and in accordance with schedule XIII of the Companies Act, 1956, or any amendment, modifications or re-enactment thereof here after, as set out in the explanatory statement and the agreement of re-appointment submitted to this meeting and duly initialed by the chairman, for the purpose of identification with liberty to the board of directors to alter or vary the said terms or re-appointment and salary and perquisites in such manner as the board in its discretion deem fit, and as acceptable to Mr. W.T. Balaji, within the limits specified in the schedule XIII of the Companies Act, 1956 or any amendment, modification or re-enactment, made hereafter in that regard".
2. To consider and if thought fit, to pass the following resolution, as an Ordinary Resolution with or without modification/s :  
"Resolved that in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Praful Joshi, who was appointed by the Board of Directors as an Additional Director of the Company and who holds office upto the date of ensuing Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a Notice in writing from a member proposing the candidature of Mr. Praful Joshi for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retirement by rotation."

For DYNVOX INDUSTRIES LTD.

**W. T. BALAJI**  
Managing Director

#### Regd. Office:

115, T. V. Industrial Estate,  
Worli, Mumbai – 400 025.

Mumbai : 3<sup>rd</sup> January, 2000



**NOTES:**

- A. A member of the company entitled to attend and vote, is entitled to appoint another person as his /her proxy to attend and vote instead of himself/herself , and that other person need not be a member. The proxy in order to be effective, must be received by the Company not less than 48 hours before the commencement of the Extra-Ordinary General Meeting.
- B. Explanatory statement as required under section 173(2) of the Companies Act, 1956.

**C. Item No.1:**

Mr. W. T. Balaji was appointed as the Managing Director of the Company for a period of five years ending 30<sup>th</sup> June 1999 with substantial powers of management in accordance with the terms and conditions as set out in the agreement dated 14<sup>th</sup> May 1994 which were approved by the members at the Extra-Ordinary General Meeting of the Company held on 14<sup>th</sup> June 1994.

As Mr. W. T. Balaji's tenure of office for five year ended on 30<sup>th</sup> June, 1999 the Board of Directors at the meeting held on 7<sup>th</sup> December 1998 re-appointed Mr. W. T. Balaji as the Managing Director of the Company for a further period of five years effective 1<sup>st</sup> July 1999 to 30<sup>th</sup> June 2004. His re-appointment is subject to the approval of the members of the Company.

The salary, commission and perquisites proposed to Mr. W. T. Balaji are within the limits specified in Schedule XIII of the Companies Act, 1956 with the power to the Board to enhance the said remuneration consequent to any amendment, modification or re-enactment in the said Schedule XIII. The remuneration payable to Mr.W. T. Balaji are on the same terms and conditions as approved by the shareholders at the Extra-Ordinary General Meeting of the Company held on 14<sup>th</sup> June 1994.

The fresh agreement entered into by the company with Mr. W. T. Balaji is available for inspection of members at the Registered Office of the Company on all its working days (Except Saturdays) between 11.00 a.m. and 1.00 p.m. upto the date of the above meeting.

Mr. W. T. Balaji, the Managing Director of the Company being the appointee is interested in the proposed Resolution to the extent of the remuneration payable to him.

Save as aforesaid no other Director is concerned or interested in this resolution.

This explanation together with the accompanying Notice may also be treated as an abstract of the terms of appointment of the Managing Director under Section 302 of the Companies Act, 1956.

**Item No. 2:**

Mr. Praful Joshi was appointed by the Board of Directors as an Additional Director of the Company at its meeting held on 26<sup>th</sup> June, 1999. Pursuant to Section 260 of the Companies Act, 1956, Mr. Praful Joshi will hold office as Additional Director of the Company upto the date of the ensuing Annual General Meeting. The Company has received a Notice in writing from a member proposing the candidature of Mr. Praful Joshi for the office of Director of the Company under the provisions of Section 257 of the Companies act, 1956.

Mr. Praful Joshi, is a Chartered Accountant having over two decades of experience in his field and keeping in view his expertise and experience, the Board of Directors at its meeting held on 26<sup>th</sup> June, 1999 appointed him as a director of the Company.

Mr. Praful Joshi, being the appointee, is deemed to be interested in the said Resolution.

Save as aforesaid no other Director is concerned or interested in this resolution.

For **DYNABOX INDUSTRIES LTD.**

**W. T. BALAJI**  
Managing Director

**Regd. Office:**

115, T. V. Industrial Estate,  
Worli, Mumbai – 400 025.

Mumbai : 3<sup>rd</sup> January, 2000

# Sixteenth Annual Report 1998-99

## DIRECTORS' REPORT

### The Members

Your Directors have pleasure in presenting their Sixteenth Annual Report alongwith Audited Accounts for the year ended 31<sup>st</sup> March 1999.

### FINANCIAL RESULTS & REVIEW OF PERFORMANCE.

	( Rupees in Lacs )	
	1998-99	1997-98
<b>Income from operations</b>		
(inclusive of exports & other Income)	3433.62	4468.29
Profit before Finance cost		
Depreciation and Tax	345.09	259.02
Less: Finance cost	370.06	258.99
Less: Depreciation	21.73	25.92
Profit before Tax	(46.70)	(25.89)
Less: Provision for Taxation	—	8.00
Profit after Tax	(46.70)	(33.89)

### REVIEW OF BUSINESS OPERATIONS OF THE YEAR 1998-99

The main trends in the market for our line of activity was badly affected both in the domestic and export market. The office automation line is slowly giving way to Information Technology and Computer software business. In view of this, company's business both in turnover and profitability was badly affected despite the best of efforts.

Considering the opportunities available to the Company for dealing in other diverse lines the company has taken some strategic decisions for diversification for the year under review to be implemented in the subsequent year.

The Company will maintain presence in Fax, EPABX, KTS, Wireless Products, Telecom equipment from the current range.

In terms of new areas of operation the Company has entered into the following:

#### N-SAT:

The Company has launched a new division N-SAT (National School of Advanced Technology) with the objective of providing professional technical training and servicing of office automation products like Copiers, Fax, Colour Monitors, Printers and Internet through franchisees and/or technical institutions.

The project has been launched in Mumbai in December,99. We have also been associated with the State Governments' Voluntary organisation RASHTRASHAKTI for training young Diploma holders for servicing of equipments. This programme will be subsequently extended to other regions outside Mumbai including branches.

The Company has plans for manufacturing Colour Monitors and the project report has been appraised favourably by IDBI. Company has identified alternate sources of funds to implement this project and also has added Telecom products production.

#### SOFTWARE MARKETING:

The Company is entering the newly emerging software business in the current year. The Company has identified associates locally and has signed up an agreement with SILVERLINE INDUSTRIES LIMITED for packaged Software marketing and also with PEARL INFOSYS TECHNOLOGIES PRIVATE LIMITED.

The Company is negotiating with an associate in California, USA for software development and is hopeful of finalising and development of custom made software for a West Coast firm in the US.

#### EXPORT TRADING:

Performance in this division in the year was severely affected due to inordinate delay in realising export sales proceeds. Till these come under control the company has decided to keep further activities in export under low key.

#### DIVIDEND

In view of the losses incurred by the Company during the year, the Directors have not recommended any dividend disbursement for the year.



#### **FIXED DEPOSIT**

During the year under review, the Company has accepted the Fixed Deposit from Public to part finance its Working Capital requirements. The Company has complied all the provisions of Company's Act 1956 and also the provision of the Company's Acceptance of Deposits Rules, 1975 and there are no overdue deposits outstanding as of 31st March 1999 other than unclaimed deposits amounting to Rs. 19,68,000/-.

#### **DIRECTORS**

Mr. M. K. Jain, Director of the Company retires by rotation and being eligible offers himself for reappointment.

Mr. K.K. Subramanian resigned from the Board on 30<sup>th</sup> July'99 owing to some pressing personal commitments, which will keep him overseas for fairly long period. The Board wish to place on record its sincere appreciation for the contribution made by Mr. K.K. Subramanian.

Mr. Praful Joshi joined the Board on 26<sup>th</sup> June, 99. The Board whole heartedly welcomed Mr. Praful Joshi.

#### **AUDITORS**

M/s. Shankarlal Jain and Associates, the Statutory Auditors of the Company will retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

#### **BRANCH AUDITORS**

Directors wish to recommend the appointment of Branch Auditors for its Regional/Divisional office located at Delhi, Calcutta, Madras, Hyderabad and Mumbai.

#### **NOTES TO ACCOUNTS & COMMENTS OF STATUTORY AUDITORS**

Adequate explanations on the comments of the Statutory Auditors have been provided and clarified in the notes to Accounts, forming part of Annual Accounts for the year under review and efforts are being made to comply all the requirements stipulated by the Statutory Auditors in their report.

#### **ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE**

Information in accordance with provisions of section 217(1)(e) of the Companies Act 1956, read with Companies (disclosures of particulars in the Report of Board of Directors). Rules 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and out-go is given in Annexure A forming part of the report.

#### **PERSONNEL**

Information as required under Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules 1975, Annexure B forms part of the Report.

#### **MANAGERIAL REMUNERATION**

No provision has been made for payment of commission to the Managing Director during the year.

#### **BANK BORROWINGS**

The Company's management is arranging to bring in additional funds to increase the promoters contribution and to repay the outstanding loans to the Banks.

#### **ACKNOWLEDGEMENTS**

Directors wish to place on record their profound appreciation for the co-operation extended by Contractors, Suppliers, Bankers, Financial Institutions & Business Associates of the Company.

For and on behalf of the Board of Directors

**W. T. BALAJI**  
MANAGING DIRECTOR

Mumbai : 3<sup>rd</sup> January, 2000.

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### ANNEXURE II

INFORMATION AS REQUIRED UNDER SECTION 217(2A) OF OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) (AMENDMENTS) RULES, 1994, AND FORMING PART OF DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 1999.

Name, Age & Qualification	Designation Nature of Duties	Date of Commencement	Gross Remuneration	Last Employment
W. T. BALAJI 61 Years B.Sc.(Hon's)	Whole Time Managing Director	3rd November 1982	Rs. 3,18,555/-	M/s.EMI(U.K) (Parent Company of M/s.GCL India Ltd )

**NOTES :** 1. Nature of Employment is contractual. 2. None of the other Directors are interested in the said contract except the Managing Director. 3. Remuneration includes Salary, Commission and other Monetary benefits and perquisites as stipulated in the agreement dated 14th June 1994 and the resolution was passed at the Extraordinary general Meeting held on 14th June 1994. 4. No provision for the current year has been made for payment of commission to the Managing Director

For and on behalf of the Board of Directors.

Mumbai : 3<sup>rd</sup> January, 2000.

**W. T. BALAJI**  
Managing Director







**DYNVOX INDUSTRIES LTD.**

(FORMERLY KNOWN AS DYNVOX ELECTRONIC LTD.)

**AUDITORS' REPORT**

To  
The Members  
DYNVOX INDUSTRIES LTD.

We have audited the attached Balance Sheet of M/s DYNVOX INDUSTRIES LTD, as at 31st March 1999, together with the Profit and Loss Account of the Company for the year ended on that date, annexed thereto and report that :-

1. As required by the Manufacturing and other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments referred to in paragraph (1) above, we subject to incorporation of unaudited accounts of Calcutta, Kanpur and Lucknow Branches report that :-
  - (a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books;
  - (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet and the Profit and Loss Account comply with the accounting standards referred to in Section 211 (3-C) of the Companies Act, 1956 subject to Note No. 1 (i)-(b) regarding Gratuity and Leave Encashment liabilities being accounted on Cash basis.
  - (e) In our opinion and to the best of our information and according to the explanations given to us, the accounts, subject to Note No.20 regarding non disclosure of information of outstanding relating to Small Scale Industries as required by Schedule VI to the Companies Act, 1956 and read with other notes given in Schedule 'N' give the information required by the Companies Act 1956, in the manner so required subject to; Note No.1 ( i ) ( b ) regarding non-provision of gratuity and leave encashment liabilities, amount unascertained, Note No.2 and 3 regarding books of accounts at Lucknow, Kanpur and Calcutta Branch remained unaudited, Note No.5. regarding Balances in Sundry Debtors, advances given and taken, deposits given and taken, Sundry Creditors and some of the Bank accounts are subject to confirmation / reconciliation and adjustments required, if any, amount of Liability / Loss likely to arise on such reconciliation are unascertained, Note No.6 regarding non provision of Bad and Doubtful debts and loans and advances, amount unascertained, Note No. 7 regarding revaluation of Office Building by Rs.94,02,050/- resulting into over statement of Fixed Assets by Rs. 70,05,067/- (Net of depreciation of Rs.23,96,983/- on revalued amount), Note No.16 regarding non provision of interest of Rs.49,99,079/- on Income Tax dues, Note No.17 regarding non provision for loss in the value of stock, if any, amount unascertained, Note No.19 regarding non provision for interest amounting to Rs.116,44,955/- on unsecured loans and further aggregate effect of above clauses not ascertainable give a true and fair view:-
    - (i.) In the case of Balance Sheet of the state of affairs of the Company as on 31<sup>st</sup> March, 1999.
    - (ii.) In the case of the Profit and Loss account of the "Loss" for the year ended on that date.

For **SHANKARLAL JAIN AND ASSOCIATES**  
Chartered Accountants



**DINESH S. AGARWAL**  
PARTNER

Place : Mumbai.  
Dated : 3<sup>rd</sup> January, 2000.

**ANNEXURE REFERRED TO IN PARAGRAPH (1) OF OUR REPORT OF EVEN DATE**

1. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. We are informed that Fixed Assets are verified by the Management at the end of the year and no material discrepancies were noticed on such verification by the management.
2. None of the Fixed Assets have been revalued during the year.
3. The stocks of finished goods and stores and spares have been physically verified by the Management at the end of the year. In our opinion, the frequency of such verification is reasonable.
4. The procedure of physical verification of stocks followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
5. The discrepancies noticed on verification between the physical stocks and the book records were not material.
6. Subject to verification of Stocks at Calcutta, Delhi and Chennai Branch and further subject to Note No. 17 given in Schedule 'N' annexed herewith on the basis of our examination of stock records, we are of the opinion that the valuation of stock for the year is fair and proper and in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.



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7. In our opinion the rate of interest and other terms and conditions on which loans have been taken from Parties and a company listed in the register required to be maintained under Section 301 of the Companies Act, 1956. are not prima facie prejudicial to the interest of the Company.
8. The Company has not granted any loans, secured or unsecured to firms and other parties listed in the register required to be maintained under Section 301 of the Companies Act, 1956. There is no company under the same management as defined under Section 370 (1-B) of the Companies Act, 1956.
9. According to the explanation given to us in respect of interest free loans given by the Company to its employees, the management is of the opinion that such loans will be settled by the Company against the dues of the employees.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of stores, materials including components, plant and machinery, equipment and other assets and with regard to the sale of goods. However the Madras branch does not have the required information regarding applicability of internal audit, Hence no comments are offered pertaining to that branch.
11. In our opinion and according to the information and explanations given to us, transactions of purchase and sales of goods and materials made in pursuance of contract or arrangements entered in the registers maintained under Section 301 and aggregating during the year to Rs.50,000 or more in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices of such goods and material.
12. As explained to us, the Company has yet to determine unserviceable or damaged stores and finished goods.
13. In our opinion and according to the information and explanation given to us the Company has complied with the provisions of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of deposits) rules 1975, in respect of deposits solicited and accepted by it. However unsolicited deposits accepted by the company are subject to compliance of the above provisions.
14. In our opinion, the Company has no by-products or realisable scrap.
15. The Company has the system of internal audit at some places but in our opinion it needs to be strengthened and widened.
16. We are informed that the Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.
17. According to the records of the Company Employees Contribution to Provident Fund dues have been deposited with the appropriate authorities with some delay. Employees State Insurance dues at branches have been deposited regularly except some delay in few cases and at Head Office it has been deposited for a month only that too with slight delay. At the end of the year Provident fund Rs. 7,06,962/- and Employees State Insurance Rs. 66,278/- were in arrears.
18. According to the information and explanations given to us, no undisputed amount payable in respect of Wealth Tax, Customs duty, Sales Tax and Excise duty were outstanding as at 31st March 1999 for a period of more than six months from the date they became payable except Income Tax payable of Rs. 1,02,00,155/- and T.D.S. Rs. 9,283/-.
19. According to the information and explanations given to us, no personal expenses of employees or Directors have been charged to revenue accounts, other than those payable under contractual obligations or in accordance with generally accepted business practices.
20. Subject to and read with notes given in Schedule 'N' annexed herewith the Company is not a sick industrial company within the meaning of clause (o) of Sub Section (1) of Section 3 the Sick Industrial Companies (Special Provisions) Act, 1985.
21. The Company has a reasonable system of recording receipts, issues and consumption of materials and stores and allocating materials consumed to the relative jobs commensurate with its size and nature of its business.
22. The Company does not have a system of allocating man-hours utilised to the relative jobs.
23. The Company has a reasonable system of authorisation at proper levels and an adequate systems of internal control commensurate with its size and the nature of its business on issue of stores and allocation of stores and labour to jobs.
24. In respect of the Company's trading activities, damaged goods, if any, have yet to be determined.

For **SHANKARLAL JAIN AND ASSOCIATES**  
*Chartered Accountants*

**DINESH S. AGARWAL**  
*PARTNER*

Place : Mumbai.  
Dated : 3<sup>rd</sup> January, 2000.

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 1999**

PARTICULARS	Schedule	As At 31.03.1999 Rupees	As At 31.03.1998 Rupees
<b>SOURCES OF FUNDS :</b>			
<b>Shareholders' Funds</b>			
Share Capital	A	41011000	41011000
Reserves & Surplus	B	14907550	16497827
		<u>55918550</u>	<u>57508827</u>
<b>Loan Funds</b>			
Secured Loans	C	207564970	138442944
Unsecured Loans	D	41805197	35446059
		<u>249370167</u>	<u>173889003</u>
TOTAL		<u>305288717</u>	<u>231397830</u>
<b>APPLICATION OF FUNDS :</b>			
<b>Fixed Assets</b>			
Gross Block	E	37859197	38656297
Less : Depreciation		14033978	13955082
Less : Lease Terminal Adjustment		819179	407359
<b>Net Block</b>		<u>23006040</u>	<u>24293856</u>
<b>Investments</b>	F	10100	10100
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	G	83212620	82983151
Sundry Debtors		218810250	171094314
Cash & Bank Balances		12668882	35409964
Loans & Advances		62941281	50860710
		<u>377633033</u>	<u>340348139</u>
<b>Less : Current Liabilities &amp; Provisions</b>	H		
Current Liabilities		92831930	128844800
Provisions		7300000	7300000
		<u>100131930</u>	<u>136144800</u>
<b>Net Current Assets ( G - H )</b>		<u>277501103</u>	<u>204203339</u>
<b>Miscellaneous Expenditure</b>	I		
(to the extent not written off or adjusted)		1827108	2890535
Profit & Loss Account		2944366	0
TOTAL		<u>305288717</u>	<u>231397830</u>
<b>Accounting Policies and Notes to Accounts</b>	N		

Signature to Balance Sheet &amp; Schedules Attached to and forming part of the Accounts

As per our Annexed Report of even date

For and on behalf of the Board of Directors

For **SHANKARLAL JAIN AND ASSOCIATES**  
Chartered Accountants**W.T. BALAJI** Managing Director**M.K. JAIN** Director**DINESH S. AGARWAL**  
PartnerMumbai : 3<sup>rd</sup> January, 2000.Mumbai : 3<sup>rd</sup> January, 2000.

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### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 1999

PARTICULARS	Schedule	Year Ended 31.03.1999 Rupees	Year Ended 31.03.1998 Rupees
<b>A. INCOME :</b>			
Sales and Services		343361507	446828518
Other Income (Including Rs.117,76,242/- for earlier Year)	J	35725569	20435438
Increase / (Decrease) in Stocks	K	229469	(12014034)
<b>TOTAL</b>		<b>379316545</b>	<b>455249922</b>
<b>B. EXPENDITURE :</b>			
Purchases for Resale		317294434	386317303
Stores and Spares		52420	5530643
Administrative and Other Expenses	L	27460735	37500327
<b>TOTAL</b>		<b>344807589</b>	<b>429348273</b>
<b>C. NET PROFIT BEFORE FINANCE CHARGES, DEPRECIATION AND TAX</b>			
Less : Finance Charges	M	34508956	25901649
		37006150	25899240
<b>D. NET (LOSS)/PROFIT BEFORE DEPRECIATION AND TAX</b>			
Add/Less : Depreciation		(2497194)	2409
		2172620	2591887
<b>E. LOSS BEFORE TAX</b>			
Add : Provision for Income Tax		4669814	2589478
		0	800000
<b>F. LOSS AFTER TAX</b>			
Less : Surplus Brought Forward		4669814	3389478
		0	6501503
Less : Prior Period Adjustment		4669814	3112025
		136291	(2886736)
		4533523	225289
Add/Less : Income Tax of Earlier Years		1120	(653012)
<b>G. LOSS FOR APPROPRIATION</b>			
Less : Transferred from General Reserve		4534643	427723
		1590277	427723
<b>H. LOSS CARRIED TO BALANCE SHEET</b>			
		<b>2944366</b>	<b>N.I.L.</b>
<b>Accounting Policies and Notes to Accounts</b>	N		



<p>As per our Annexed Report of even date</p> <p>For <b>SHANKARLAL JAIN AND ASSOCIATES</b> <i>Chartered Accountants</i></p> <p><b>DINESH S. AGARWAL</b> <i>Partner</i></p> <p>Mumbai : 3<sup>rd</sup> January, 2000.</p>	<p style="text-align: center;">Signature to Balance Sheet &amp; Schedules Attached to and forming part of the Accounts</p> <p style="text-align: center;">For and on behalf of the Board of Directors</p> <p><b>W.T.BALAJI</b>                      Managing Director</p> <p><b>M.K. JAIN</b>                         Director</p> <p style="text-align: center;">Mumbai : 3<sup>rd</sup> January, 2000.</p>
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**Schedules forming part of the Balance Sheet**

PARTICULARS	As At 31.03.1999 Rupees	As At 31.03.1998 Rupees
<b>SCHEDULE 'A'</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised Capital</b>		
75,00,000 (75,00,000) Equity Shares of Rs.10/- each	75000000	75000000
2,50,000 (2,50,000) Preference Shares of Rs. 100/- each	25000000	25000000
20,00,000 ( 20,00,000) Unclassified Shares of Rs. 10/- each	20000000	20000000
<b>TOTAL</b>	<u>120000000</u>	<u>120000000</u>
<b>Issued, Subscribed and Paid Up</b>		
41,01,100 (41,01,100) Equity Shares of Rs. 10/- each (out of the above 11,50,000 Equity Shares are allotted as fully paid Bonus Shares by Capitalisation of Reserves)	41011000	41011000
<b>TOTAL</b>	<u>41011000</u>	<u>41011000</u>
<b>SCHEDULE 'B'</b>		
<b>RESERVES AND SURPLUS</b>		
<b>Share Premium</b>		
As per last Balance Sheet	14505500	14505500
<b>Capital Reserve</b>		
Revaluation of Office Premises As per last Balance Sheet	402050	402050
<b>General Reserve</b>		
As per last Balance Sheet	1590277	2018000
Less : Transferred to Profit and Loss Account	<u>1590277</u>	<u>(427723)</u>
<b>TOTAL</b>	<u>14907550</u>	<u>16497827</u>
<b>SCHEDULE 'C'</b>		
<b>SECURED LOANS</b>		
<b>(a) Term Loan</b>		
State Bank of Hyderabad	2625000	2625000
Interest Accrued and Due	677331	121744
<b>TOTAL A</b>	<u>3302331</u>	<u>2746744</u>
<b>(b) Working Capital Facilities</b>		
Working Capital Loans	204262639	135696200
<b>TOTAL B</b>	<u>204262639</u>	<u>135696200</u>
<b>TOTAL (A + B)</b>	<u>207564970</u>	<u>138442944</u>

**NOTES :-**

Term Loan from State Bank of Hyderabad is Secured by way of mortgage of Office at 226, T.V. Industrial Estate, Worli, Mumbai and Charge over other movable assets and personally guaranteed by the Managing Director

Working Capital from Banks is secured by hypothecation of inventories, book debts and first charge on other current assets and collateral securities of all the three premises located at Mumbai, office premises at Calcutta and Madras, Land at Madras and personally guaranteed by the Managing Director

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### Schedules forming part of the Balance Sheet

PARTICULARS	As At 31.03.1999 Rupees	As At 31.03.1998 Rupees
<b>SCHEDULE 'D'</b>		
<b>UNSECURED LOANS FROM OTHERS</b>		
(i) Fixed Deposits from Public	5641000	7362000
Interest Accrued and due	419017	0
(ii) Short Term Loans		
(a) From Banks	17399000	17899000
Interest Accrued and due	401771	401771
	17800771	
(b) From Others	3464000	3464000
Interest Accrued and due	1815013	641072
	5279013	
(iii) Other Loans		
From Managing Director	1887872	903234
From Others	8912262	3069617
	10800134	
(iv) Hire Purchase Credits	1865262	1705365
<b>TOTAL</b>	<b>41805197</b>	<b>35446059</b>

### SCHEDULE 'E'

#### FIXED ASSETS

PARTICULARS	Gross Block			Depreciation				Net Block		
	01.04.98	Additions	Deductions	31.03.99	01.04.98	For the Year	Deduction	As on 31.03.99	31.03.99	31.03.98
<b>(A) OWN ASSETS</b>										
Land	246695	0	0	246695	0	0	0	0	246695	246695
Office Building	22166740	0	0	22166740	4758492	870413	0	5628905	16537836	17408248
Time Sharing Resort	48800	0	0	48800	17099	1585	0	18685	30116	31701
Electrical Installation	195465	0	0	195465	109744	11924	0	121668	73797	85721
Office Equipment	4632973	1222225	0	5855198	1738321	561819	0	2300140	3555058	2894652
Computer Equipments	1108301	63650	0	1171951	888964	101548	0	990512	181439	219337
Furniture and Fixtures	2689726	10750	0	2700476	1588247	201314	0	1789562	910914	1101478
Vehicles	1178866	0	0	1178866	650964	136674	0	787638	391228	527902
<b>(B) LEASED ASSETS</b>										
Plant and Machinery	695000	0	0	695000	227798	662	0	228460	466540	467202
Cinematograph Films	2500006	0	0	2500006	1071838	285634	0	1357472	1142534	1428168
Flap Moulds	1100000	0	0	1100000	809889	1047	0	810936	289064	290111
Rolling Mill Rolls	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	36562572	1296625	0	37859197	11861356	2172620	0	14033978	23825221	24701215
Previous Years	40781965	674050	2799718	38656297	12409268	2591887	1046073	13955082	24701215	28372697



**Schedules forming part of the Balance Sheet**

<b>PARTICULARS</b>	<b>As At 31.03.1999 Rupees</b>	<b>As At 31.03.1998 Rupees</b>
<b>SCHEDULE 'F'</b>		
<b>INVESTMENTS</b>		
Long Term (Unquoted)	100	100
Indira Vikas Patra		
1000 Equity Shares of Rs. 10/- each of Saraswat Co-op Bank Limited	10000	10000
<b>TOTAL</b>	<b>10100</b>	<b>10100</b>
<b>SCHEDULE 'G'</b>		
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>A. Current Assets</b>		
<b>1 INVENTORIES</b>		
(As taken, valued and certified by the Management)		
Finished Goods	69156700	68972049
Stores and Spares	13189807	13538168
Stock in Transit	866113	472934
<b>TOTAL - A</b>	<b>83212620</b>	<b>82983151</b>
<b>2 SUNDRY DEBTORS</b>		
(Unsecured, Considered good unless otherwise stated)		
Outstanding for a period exceeding Six Months	151836252	103867384
Others	66973998	67226930
<b>TOTAL - B</b>	<b>218810250</b>	<b>171094314</b>
<b>3 CASH AND BANK BALANCES</b>		
a. Cash in Hand	4734430	6719447
b. Balances with Banks		
- In Current Accounts with Scheduled Banks	737074	1569210
- Fixed Deposits ( Pledged with Bankers and Others)	4376728	4522305
- Share Application Money Refundable Amount	39293	39292
- Margin Money (Against L/C and Guarantee Issued)	1403274	22045092
c. In Current Accounts with Non Scheduled Banks	1378083	504618
d. Money in Transit	0	10000
<b>TOTAL - C</b>	<b>12668882</b>	<b>35409964</b>
<b>B. Loans &amp; Advances</b>		
(Unsecured, Considered good)		
Advance Recoverable in cash or in kind for the value to be received	54635705	43229425
Deposits	5359950	5255325
Advance Income Tax	2200000	1800000
Tax Deducted at Source	745626	575960
<b>TOTAL - D</b>	<b>62941281</b>	<b>50860710</b>
<b>TOTAL (A + B + C + D)</b>	<b>377633033</b>	<b>340348139</b>

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### Schedules forming part of the Balance Sheet

PARTICULARS	As At 31.03.1999 Rupees	As At 31.03.1998 Rupees
<b>SCHEDULE 'H'</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>1. Current Liabilities</b>		
Sundry Creditors		
For goods supplied	70894090	108607346
For Expenses	4515912	5800617
	75410002	114407963
Deposit from Customers	144652	256952
Advance from Customers	11787545	8497091
Service Contract Charges Received in Advance	1459523	2997549
Unclaimed Dividend	128197	157707
Temporary Bank Overdraft (Due to excess issue of cheques)	10084	91117
Share Application Money Refundable Account	39293	39292
Other Liabilities	3459845	2142531
Interest Accrued but not due	392789	254598
<b>TOTAL - A</b>	<b>92831930</b>	<b>128844800</b>
<b>2. Provisions</b>		
Provision for Income Tax	7300000	7300000
<b>TOTAL - B</b>	<b>7300000</b>	<b>7300000</b>
<b>TOTAL (A + B)</b>	<b>100131930</b>	<b>136144800</b>
<b>SCHEDULE 'I'</b>		
<b>MISCELLANEOUS EXPENDITURE</b>		
Public Issue Expenditure	1810733	2112733
Less : Written Off	302000	302000
<b>TOTAL - A</b>	<b>1508733</b>	<b>1810733</b>
Advertisement Expenditure	718977	1437955
Less : Written Off	718977	718978
<b>TOTAL - B</b>	<b>0</b>	<b>718977</b>
Authorised Capital Expenses	360825	403275
Less : Written Off	42450	42450
<b>TOTAL - C</b>	<b>318375</b>	<b>360825</b>
<b>TOTAL (A + B + C)</b>	<b>1827108</b>	<b>2890535</b>





**Schedules forming part of the Profit & Loss Account**

PARTICULARS	Year Ended 31.03.1999 Rupees	Year Ended 31.03.1998 Rupees
<b>SCHEDULE 'J'</b>		
<b>OTHER INCOME</b>		
Lease Rentals and Other Charges	704875	3076426
Less : Lease Equalisation Fund	411820	1458378
	<b>293055</b>	<b>1618048</b>
Interest Received (TDS Rs. 74,145/- P.Y. 1,48,662/-)	803318	757209
Dividend	1751	1800
Export Benefits	1239186	2438375
Commission	21062408	12257858
Exchange Gain (Net)	486160	2068866
Profit on Sale of Fixed Asset	0	195214
Sundry Balances W/Back (Net)	0	950368
Compensation for Earlier Years	6300000	0
Miscellaneous Income (Including Rs. 54,76,242/- for Earlier Years)	5539691	147700
<b>TOTAL</b>	<b>35725569</b>	<b>20435438</b>
<b>SCHEDULE 'K'</b>		
<b>INCREASE (DECREASE) IN STOCKS</b>		
<b>Closing Stock</b>		
Finished Goods	69392757	68972049
Stores & Spares	12953750	13538168
Stock in Transit	866113	472934
<b>TOTAL - A</b>	<b>83212620</b>	<b>82983151</b>
<b>Less : Opening Stock</b>		
Finished Goods	68972049	69371915
Stores and Spares	13538168	13922365
Stock in Transit	472934	11702905
<b>TOTAL - B</b>	<b>82983151</b>	<b>94997185</b>
<b>TOTAL (A - B)</b>	<b>229469</b>	<b>(12014034)</b>
<b>SCHEDULE 'L'</b>		
<b>ADMINISTRATIVE AND OTHER OPERATIVE EXPENSES</b>		
<b>Remuneration to Employees</b>		
- Salaries, Bonus, etc.	7110114	9126086
- Contribution to Provident Fund	418645	757703
- Contribution to E.S.I.C.	175801	272254
- Staff Welfare Expenses	487556	599698
	<b>8192116</b>	<b>10755741</b>
Rent	1809580	1991013
Rates and Taxes	39107	23842
Insurance Charges	224131	360047
Travelling and Conveyance	5077815	6327797



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### Schedules forming part of the Profit & Loss Account

PARTICULARS	Year Ended 31.03.1999 Rupees	Year Ended 31.03.1998 Rupees
<b>SCHEDULE 'L' (Contd.)</b>		
Printing and Stationary	471127	747925
Lease Rentals	1189920	1129500
Labour Charges	54067	2521942
Postage, Telegram & Telephones	1712518	2435698
<b>TOTAL - A</b>	<b>18770381</b>	<b>26293505</b>
<b>REPAIRS &amp; MAINTENANCE</b>		
- Building	33205	64111
- Others	329421	460823
<b>TOTAL - B</b>	<b>362626</b>	<b>524934</b>
<b>REMUNERATION TO DIRECTORS</b>		
- Remuneration	216000	216000
- Perquisites	102555	119309
- Sitting Fees	7000	7000
<b>TOTAL - C</b>	<b>325555</b>	<b>342309</b>
Remuneration to Statutory Auditors	152090	146250
Remuneration to Branch Auditors	22500	65750
Legal and Professional Charges	548628	836660
Freight and Forwarding Charges	570502	2279225
Advertisement and Sales Promotion Expenses	602722	753408
Add : Deferred Expenditure Written Off During the Year	718978	718978
	<b>1321700</b>	<b>1472386</b>
Commission on Sales and Service	973975	1937456
Sales Tax	74924	111402
Miscellaneous Expenditure	3993404	3146001
Public Issue Expenses W/Off	302000	302000
Authorised Capital Increase Expenses W/Off	42450	42450
<b>TOTAL - d</b>	<b>8002173</b>	<b>10339579</b>
<b>TOTAL (A + B + C + D)</b>	<b>27460735</b>	<b>37500327</b>
<b>SCHEDULE 'M'</b>		
<b>FINANCE CHARGES</b>		
Interest on		
- Fixed Loans	2169862	3047220
- Other Loans	30700823	18478637
<b>TOTAL - A</b>	<b>32870685</b>	<b>21525857</b>
Bank Charges	2472429	2793858
Finance Charges	1291027	1195177
Hire Purchase Credits	372009	384348
<b>TOTAL - B</b>	<b>4135465</b>	<b>4373382</b>
<b>TOTAL (A + B)</b>	<b>37006150</b>	<b>25899240</b>



**SCHEDULE 'N'**

**NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS**

**1. SIGNIFICANT ACCOUNTING POLICIES :-**

- i (a) Basis of Accounting : Financial Statements are prepared under historical cost convention on accrual basis in accordance with the requirement of the Companies Act,1956.  
(b) The Company follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis, except gratuity and leave encashment liabilities which are accounted on cash basis.
  - ii (a) Sales are accounted on the basis of despatches made and are accounted net of sales tax and returns.  
(b) Export sales are accounted for on C.I.F. basis.  
(c) Revenue from services rendered are recognised on completion of the Job/time basis.  
(d) Service Income from annual maintenance contracts are recognised on receipt of contract at Chennai Branch.
  - iii (a) Fixed Assets and Depreciation : Fixed Assets are stated at cost of acquisition/revalued amount less accumulated depreciation. The cost of an asset comprises its purchase price and any direct attributable costs of bringing the Assets to working condition for its intention to use. Depreciation is charged on prorata basis at written down value basis at the rates and in the manner prescribed in Schedule XIV of the Companies Act,1956.  
(b) Depreciation on revalued assets is charged to Profit & Loss account instead of reducing from capital reserve account.
  - iv Retirement Benefit : Company's contributions to Provident funds are charged against revenue. However liability for Gratuity and Leave encashment benefits are charged to Profit and Loss Account on cash basis.
  - v Inventories : Finished goods are valued at cost or net realisable value whichever is lower. Stores and Spares are valued at cost.
  - vi Lease transactions are accounted for as per Guidance Notes on Accounting for leases, issued by the Institute of Chartered Accountants of India.
  - vii Foreign Currency Transactions  
(a) Transactions of imports and exports denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.  
(b) Any income or expense on account of exchange difference either on settlement or on Translation is recognised in the profit and loss account.
  - viii Long term investments are stated at cost.
  - ix Deferred Revenue Expenditure:  
Revenue expenditure whose benefits are to be received in the coming years are treated as Deferred Revenue Expenditure. Accordingly Advertisement expenditure whose total benefits in the opinion of the management, to the Company would accrue in 4 years period. Hence 1/4th of such expenditure have been written off during the year.
  - x Hire purchase finance : The liability of hire purchase finance is accounted for the principle amount received and finance charges are appropriated on straight line basis over the period of hire purchase.
  - xi Public issue expenses and Authorised Share Capital increase expenses are being written off over a period of ten years.
  - xii Contingent liabilities are not provided for, but are disclosed by way of notes to accounts.
  - xiii Valuation of Export benefits on Exports has been treated as income on accrual basis and valuation of the same has been taken on the basis of technical evaluation.
  - xiv Cost of Imports includes finance charges incurred thereon and purchases is shown net of returns.
2. No Audit of Lucknow and Kanpur Branch were done during the year by the Branch Auditors. Balances of Lucknow and Kanpur Branches have only been incorporated at the time of consolidation for making financial statements.
3. The books of accounts and records at Calcutta Branch have been taken into possession by the Government authorities as a result of which same are subject to Audit. This Balance Sheet includes Net Fixed Assets, Debit Balance in Profit and Loss Account and Net Current Liabilities of Rs. 29,65,049/-, Rs.61,61,603 and Rs. 91,26,652/- respectively and Profit and Loss Account includes Sales, Increase in Stock and total Expenses of Rs. 1,00,77,111/-, Rs.41,929/- and Rs. 1,62,80,643/- respectively for Calcutta Branch. The above amounts are subject to audit.

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4. Loans and Advances includes Capital advances of Rs. 33,16,700/- (Rs. 33,16,700/-) in respect of colour monitor project which is under implementation.
5. Balances in sundry debtors, advances given and taken, deposits given and taken, sundry creditors, Bank Margin Accounts, some of the Bank balances and Bank Fixed Deposits are subject to confirmation, reconciliation, and adjustment, if any. Amounts of Liability / Loss likely to arise on such reconciliation are unascertained.
6. Sundry Debtors and Loans and Advances include parties against whom Company has taken legal action to recover the amount and parties having no recovery during last couple of years. Management is confident of recovery upto some extent, Hence it is not in a position to ascertain exact amount of Bad and Doubtful Debts. Therefore, no Provision, for which amount remains unascertained, has been considered necessary at this stage.
7. In order to reflect true value of Assets, the company has revalued its office premises by Rs.64,65,700/- and Rs.29,36,350 in the year 1992-93 and 1994-95 respectively on basis of the report of registered valuer and which has resulted in increasing the value of Fixed assets to Rs. 70,05,067 (Net of depreciation Rs. 23,96,983/- ) accordingly same as stated at revalued amount less Accumulated depreciation thereon. Further, the company has also utilised Rs.90,00,000/- out of it in issuance of Bonus Shares during the previous year(s).
8. Contingent Liabilities not provided for;
  - (a) Bank Guarantee outstanding Rs.1,00,000/- (Rs 2,93,745/- )
  - (b) Bills discounted Rs. 99,99,015/- (Rs.37,28,382/-). Interest payable thereon, if any, not ascertained.
  - (c) Claims not acknowledged as debt being disputed by the Company Rs.1,12,04,059/- (Rs. 1,02,96,222/-) and counter claim of Rs 200 Lacs approximately is being filed by the Company.
9. Estimated amount of contract remaining to be executed on Capital Account and not provided for Rs.37,65,000/- (Rs.37,65,000/-)
- 10 Deposits given under Loans & Advances include Rent deposit of Rs.15 lacs (Rs.15 Lacs) given to Managing Director of the Company. The maximum balance due on any day during the year was Rs.15 lacs (Rs.15Lacs ).
- 11 The Company has taken Certain Office Equipments of value of Rs.65.70 lacs (Rs.65.70 lacs) on lease. The future obligations of the Company on account of all lease Rentals payable of Rs.11,54,295/- ( Rs.17,80,995/-) as on 31<sup>st</sup> March, 1999 against which a deposit of Rs.4,28,400/- (Rs.4,28,400/-) has been made.
- 12 Share Application Refund and Dividend Payable Accounts are under reconciliation. Further Balances in unpaid dividend Bank Accounts were Rs. 1,08,088/- only against unclaimed dividend of Rs.1,28,197/-.
- 13 Sales includes Service Income Rs.1,32,53,101/- (Rs.2,95,72,030/-)
- 14 The company has purchased Office Equipments and Motor Car amounting to 43,40,000/- ( Rs.31,25,000/- ) and Rs.6,71,871/- (Rs. 6,71,871/-) on hire purchase. Ownership of above fixed assets would be transferred in the name of the company after complying all the terms and conditions of Hire purchase agreement including the payment of all the installments.
- 15 Details of Remuneration to Statutory Auditors :- (Amount in Rupees)

	CURRENT YEAR	PREVIOUS YEAR
i) Audit Fees	80,000	80,000
ii) Tax Audit Fees	30,000	30,000
iii) Company Law Matters & Other Certification Work	15,000	15,000
iv) Taxation Matters	—	15,000
v) Service Tax	6,250	6,250
vi) Out of Pocket Expenses	20,840	—
<b>TOTAL</b>	<b>1,52,090</b>	<b>1,46,250</b>

- 16 Interest chargeable on Income Tax Payable u/s 234(B) and 234(C) of Income Tax Act 1961 for the Assessment Year 1996-97, 1997-98 and 1998-99 amounting to Rs. 28,14,154/- (Rs.21,99,585/-), Rs. 20,46,502/- ( Rs.13,16,979/-) and Rs. 1,38,423/- (Nil) respectively has not been provided for and the same will be accounted for as and when ascertained by the Department. Due to this Reserves & Surplus is overstated to that extent.



- 17 Inventories at the end of the year includes old and slow moving stock of Rs.1,19,29,271/- (Rs. 1,19,29,271/-) which are valued at cost and the management is hopeful to realize the same fully. Hence no provision for the same has been made. Further some of the Stock has remained unsold for quite some time. The Company has not carried out any technical evaluation in respect of quality of such stocks and no provision for Loss in the value of stock, if any, amount unascertained, has been made in this respect.
- 18 The method of valuation of Stock at Delhi and Chennai Branch are subject to verification of Branch Auditors.
- 19 Unsecured loans includes balance of Rs. 1,73,99,000/- (Rs.1,78,99,000/-) due to banks, being disputed by the company. Hence, provision for interest amounting to Rs.1,16,44,955/- (including Rs. 72,85,330/- for previous year) has not been made and the same will be accounted for as and when settled.
- 20 The Company has yet to identify Small-Scale Industrial Undertakings pending these dues to Small-Scale Industrial Undertakings as well as names of such Small-Scale Industrial Undertakings of Rs. 1,00,000/- or more outstanding for the period exceeding 30 days could not be ascertained. There are no specific claims from suppliers under the "Interest on delayed payments to Small Scale and Ancillary Act, 1993."
- 21 Balance with Non – Scheduled Banks in Current Accounts includes due from Raigad Sahakari Bank Limited Rs. 13,78,083/- (Nil). Maximum Balance due on any day during the year from this Bank was Rs. 17,88,153/- (Nil).
- 22 Additional information as required by Part II of Schedule VI of the Companies Act, 1956 are as under:-

**(I) QUANTITATIVE AND VALUEWISE DETAILS WITH REGARDS TO OPENING STOCK, PURCHASES, SALES AND CLOSING STOCK.(AS CERTIFIED BY THE MANAGEMENT)**

DESCRIPTION	OPENING STOCK		PURCHASE	
	Qty (No.)	Amount Rupees	Qty (No.)	Amount Rupees
Photocopy Machine	198 (234)	1,48,16,411 (1,65,19,860)	1213 (1233)	10,28,86,494 (11,59,05,425)
Telecom Products and Facsimile Machine	3003 (3572)	3,28,21,107 (4,09,35,920)	5704 (6584)	10,09,54,733 (9,52,22,951)
Colour Monitor	159 (422)	16,37,308 (34,30,794)	547 (1908)	58,67,597 (2,26,57,585)
Others		3,37,08,325 (3,41,10,611)		10,75,85,610 (15,25,31,342)
	<b>TOTAL</b>	<b>8,29,83,151</b> (9,49,97,185)	<b>TOTAL</b>	<b>31,72,94,434</b> (38,63,17,303)
DESCRIPTION	SALES		CLOSING STOCK	
	Qty (No.)	Amount Rupees	Qty (No.)	Amount Rupees
Photocopy Machine	1207 (1269)	10,36,69,290 (12,33,85,704)	204 (198)	1,83,31,531 (1,48,16,411)
Telecom Products and Facsimile Machine	5656 (7153)	10,42,98,148 (11,01,25,532)	3051 (3003)	3,09,75,294 (3,28,21,107)
Colour Monitor	524 (2171)	55,28,266 (2,46,06,961)	182 (159)	18,99,047 (16,37,307)
Others		11,66,12,702 (15,91,38,292)		3,20,06,748 (3,37,08,326)
	<b>TOTAL</b>	<b>33,01,08,406</b> (41,72,56,489)	<b>TOTAL</b>	<b>8,32,12,620</b> (8,29,83,151)

## Sixteenth Annual Report 1998-99

### II. Details of Stores and Spares

	Amount (Rs)	Percentage (%)
Indigenous	52,420	100%
	( 55,30,643)	(100%)
Imported	—	—
	(—)	(—)
TOTAL	52,420	100%
	(55,30,643)	(100%)

### III. Foreign Exchange Earnings

FOB Value of Exports Rs.2,15,07,881 (Rs.9,48,37,202)

### IV. Foreign Exchange Expenditure

CIF Value of imports of Finished Goods Rs. 20,46,453 (Rs.29,47,170)

- 23 The Company's Management is of the opinion that, the Computation of Net Profit u/s 350 of the Companies Act, 1956 need not be made since no commission is paid/ payable to the Managing Director for the year ended 31/03/99.
- 24 Additional information pursuant to part IV of Schedule VI of the Companies Act, 1956 are annexed herewith as per annexure-I.
- 25 Cash flow statement for the year ended 31/03/99 and 31/03/98 are prepared pursuant to clause 32 of the Listing Agreement executed with Regional Stock Exchange; details as per annexure II.
- 26 i) Previous year's figures have been regrouped and rearranged wherever necessary.  
 ii) Figures within the bracket pertain to previous year.  
 iii) Figures have been rounded off to the nearest rupee.



Signature to Balance Sheet & Schedules Attached to  
and forming part of the Accounts

As per our Annexed Report of even date

For and on behalf of the Board of Directors

For **SHANKARLAL JAIN AND ASSOCIATES**  
*Chartered Accountants*

**W.T.BALAJI** Managing Director

**M.K. JAIN** Director

**DINESH S. AGARWAL**  
*Partner*

MUMBAI : 3<sup>rd</sup> January, 2000.

MUMBAI : 3<sup>rd</sup> January, 2000.



**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE; FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 1999.**

(STATEMENT SHOWING PARTICULARS AS PRESCRIBED IN PART IV TO SCHEDULE VI OF THE COMPANIES ACT, 1956)

I. Registration Details

Registration No.  State Code :   
Balance Sheet Date 31st March, 1999

II. Capital Raised during the year (Amount in Rupees.)

Public Issue :  Rights Issue :   
Bonus Issue  Private Placement:

III. Position of Mobilisation and Deployment of Funds (Amount in Rupees).

Total Liabilities :	<input type="text" value="30,52,88,717"/>	Total Assets :	<input type="text" value="30,52,88,717"/>
Sources of funds			
Paid up capital :	<input type="text" value="4,10,11,000"/>	Reserves & Surplus :	<input type="text" value="1,49,07,550"/>
Secured loans :	<input type="text" value="20,75,64,970"/>	Unsecured loans:	<input type="text" value="4,18,05,197"/>
Application of Funds			
Net Fixed Assets	<input type="text" value="2,30,06,040"/>	Investments	<input type="text" value="10,100"/>
Net Current Assets	<input type="text" value="27,75,01,103"/>	Misc. Expenditure	<input type="text" value="18,27,108"/>
Accumulated Losses	<input type="text" value="29,44,366"/>		<input type="text"/>

IV. Performance of Company (Amount in Rupees) .

Total Turnover :	<input type="text" value="37,90,87,076"/>	Total Expenditure	<input type="text" value="38,39,86,359"/>
Profit/(Loss) Before Tax :	<input type="text" value="(46,69,814)"/>	Profit/(Loss) After Tax	<input type="text" value="(46,69,814)"/>
Earning per share :	<input type="text" value="N.A."/>	Dividend	<input type="text" value="Nil"/>

V. Generic Names of Three Principal Products of Company (as per Monetary terms)

(i) Item code No. (ITC Code) Product description	<input type="text" value="900921"/> Photo Copying Machine
(ii) Item code No. (ITC Code) Product description	<input type="text" value="851721"/> Facsimile Machine
(iii) Item code No. (ITC code) Product description	<input type="text" value="847190"/> Colour Monitors

For and on behalf of The Board of Directors

**W.T.BALAJI** Managing Director

**M.K.JAIN** Director

Mumbai, 3<sup>rd</sup> January, 2000



## Sixteenth Annual Report 1998-99

### CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET AS AT 31ST MARCH, 1999.

PARTICULARS	(Rs. in lacs)	
	1998-99	1997-98
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
1 <b>NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS</b>	(46.70)	(25.89)
<b>ADJUSTMENT FOR : ADD (LESS)</b>		
Depreciation	21.73	25.92
Interest	370.06	258.99
Deff. Revenue Exp.	10.63	10.62
Foreign Exchange Fluctuation	(4.86)	(20.69)
Interest/Income	(8.03)	(7.57)
Dividend received	(0.02)	(0.02)
Lease Income	(7.05)	(30.76)
Lease Rent	11.90	11.29
Income from Sale of Fixed Assets	0.00	(1.95)
	347.66	219.94
2 <b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		
<b>ADJUSTMENT FOR :</b>		
* Increase in Trade advances and Receivables	(592.26)	(610.69)
Increase in Inventories	(2.29)	120.14
Increase in Trade paybles	(360.13)	(596.98)
Interest Paid	(370.06)	(258.99)
Direct taxes of the year	(5.70)	(3.31)
Adjustments for Extraordinary items :		
Forex Fluctuation	4.86	20.69
Lease Income	7.05	30.76
Prior year Adjustment	1.36	28.87
Prior year Provision	(0.01)	6.53
Net cash generated/(used) from operating activities	(969.52)	(1113.84)
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(12.97)	(6.74)
Sale of Fixed Assets	0.00	2.29
Lease Terminal Adj. On sale of Fixed Assets	0.00	17.19
Interest Received	8.03	7.57
Dividend Received	0.02	0.02
Lease Terminal Adjustment	4.12	(2.62)
Deff - Revenue Expenses for the year	0.00	0.00
Net cash inflow/(used) in investing activities	(0.80)	17.71
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowing (Net of Repayment)	754.82	1064.88
Repayment of Finance Lease Liabilities	(11.90)	(11.29)
Dividend Paid	0.00	(9.02)
Net Cash Inflow in Financing Activities	742.92	1044.57
Net increase in Cash and Cash Equivalents (A+B+C)	(227.40)	(51.56)
Cash And Cash Equivalents As At 01/04/98 (opening Balance)	354.09	405.65
Cash And Cash Equivalents As At 31/03/99	126.69	354.09

For and on behalf of the Board of Directors

Mumbai : 3<sup>rd</sup> January, 2000

**W. T. BALAJI**  
(Managing Director)

**M.K.JAIN**  
(Director)

#### Auditor's Report

We have verified the attached Cash Flow Statement of Dynavox Industries Limited, and is based on audited financial statement and the books and records maintained by the company for the years ended 31st march, 1999 and 31st March, 1998 and found the same in agreement therewith.

For **SHANKARLAL JAIN AND ASSOCIATES**  
Chartered Accountant

Place : Mumbai  
Dated : 3<sup>rd</sup> January, 2000

**DINESH S. AGARWAL**  
Partner