



## **MVL Industries Limited**

### **Chairman & Managing Director**

Mr. Prem Adip Rishi

### **Executive Director**

Mr. Rakesh Gupta

### **Directors**

Mr. Suresh Kumar Varma

Mr. Rajesh Galhotra

Mr. Vijay Kumar Sood

Mrs. Kalpana Gupta

### **Auditors**

M/s Arun Kishore & Co.

Chartered Accountants, New Delhi

### **Company Secretary**

Mrs. Chetna Tyagi

### **Bankers**

Punjab National Bank

UCO Bank

Allahabad Bank

Punjab & Sindh Bank

Standard Chartered Bank

IDBI Bank Limited

State Bank of Mysore

### **Registered and Corporate Office**

"Media House"

B-86/1, Okhla Industrial Area,

Phase-II, New Delhi-110020.

### **Works**

A-785, RIICO Industrial Area,

Bhiwadi, Distt. Alwar, Rajasthan.



## **MVL Industries Limited**

### **NOTICE**

Notice is hereby given that the 23<sup>rd</sup> Annual General Meeting of the Members of MVL Industries Limited will be held on Wednesday, 22<sup>nd</sup> December, 2010 at 12.30 P.M. at MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi-110054 to transact the following businesses as:

#### **Ordinary Business:**

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 30<sup>th</sup> June, 2010 and Profit and Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Suresh Kumar Varma who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mrs. Kalpana Gupta retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint Auditors of the Company and to fix their remuneration.

**By Order of the Board of Directors  
For MVL Industries Limited**

**Sd/-**

**Place: New Delhi  
Date : 16<sup>th</sup> November, 2010**

**Prem Adip Rishi  
Chairman & Managing Director**

#### **Notes:**

1. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself. Such a proxy need not be a member of the Company.**
2. The enclosed proxy form, if intended to be used, should be returned duly filled, stamped and authenticated at the Registered Office of the Company not less than 48 hours before the scheduled time of the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from **20<sup>th</sup> December, 2010 to 22<sup>nd</sup> December, 2010 (both days inclusive).**
4. Members are requested to inform immediately any change in their registered address to the Company at its registered office.
5. The shares of the Company are being traded compulsorily in the demat form only. Members who still hold the shares of the Company in the physical form are advised to have their holdings dematerialized in their own interest through authorized depository participant.
6. Members are requested to bring their copies of Annual Report to the meeting.
7. **Appointment/Re-appointment of Director(s):**  
Pursuant to the provisions of Articles of Association, Mr. Suresh Kumar Varma and Mrs. Kaplana Gupta are retiring by rotation at the ensuing Annual General Meeting of the Company. The brief resumes of such Directors and other information as per Clause 49 of the Listing Agreement with the Stock Exchanges are given in the Report on Corporate Governance.



# MVL Industries Limited

## DIRECTORS' REPORT

### To the Members

Your Directors have immense pleasure in presenting the 23<sup>rd</sup> Annual Report and Audited Statement of Accounts for the year ended 30<sup>th</sup> June, 2010.

### 1. FINANCIAL RESULTS

Particulars	(Rs. in lacs)	
	Year ended 30.06.2010	Year ended 30.06.2009
Sales & Other Income	45357.09	36042.17
Profit Before Tax	1920.00	1236.60
Provision for Taxation		
• Current Tax	330.00	339.63
• Fringe Benefit Tax	-	5.10
• Deferred Tax	(9.91)	(86.15)
Profit After Tax	1599.69	978.02
Surplus brought forward	5097.02	4218.99
Profit available for appropriation	6696.70	5197.02
Transfer to General Reserve	100.00	100.00
Balance Carried Forward	6596.70	5097.02

### 2. FINANCIAL / OPERATION PERFORMANCE REVIEW

During the year under review, the Company recorded a turnover of Rs.43,750.80 Lacs as compared to Rs. 35,482.40 Lacs during the previous year, thus recording a growth of around 21.72% over that of last year. Further, the Company has earned a Profit before Tax of Rs.1919.78.Lacs as against Rs.1236.60 Lacs last year. The Profit after Tax has increased to Rs. 1599.69 Lacs from Rs. 978.02 Lacs of the last year.

### 3. DIVIDEND

Keeping in view the future growth plans of the Company and requirement of fund for such plans, the directors of your Company do not recommend any dividend for the year under review.

### 4. LISTING OF SHARES

The Board in their meeting held on 31.03.2010, had allotted 5,00,000 equity shares of Rs.10/- each to M/s Media Magnetic Cassettes Private Limited and 1,81,702 equity shares of Rs.10/- each to M/s MVL Credits Holdings and Leasing Limited on exercising their option to convert Optionally Convertible Warrants into Equity Shares, which was issued and allotted to them on 07/08/2009 These shares got listed on National Stock Exchange of India Ltd (NSE) vide their letter no. NSE/LIST/2010/144655-J dated 16.08.2010 effective from 17.08.2010 and Bombay Stock Exchange Limited (BSE) vide their letter no. 20100816-23 dated 16.08.2010 effective from 17.08.2010.

### 5. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr.

Suresh Kumar Varma and Mrs. Kalpana Gupta, Directors of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

Further, during the year under review, there was no change in the directorship of the Company.

Brief resumes of Directors proposed to be so appointed or re-appointed, nature of their expertise in specific functional areas, names of Companies in which they hold directorships and their memberships/ chairmanships on Board Committees of various Companies, have been provided in the Corporate Governance Report.

### 6. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors state and confirm as under:

- That in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- That appropriate accounting policies have been selected and applied consistently and made judgments 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 as on 30<sup>th</sup> June, 2010 and the Profit of the Company for that period;
- That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the annual accounts have been prepared on a going concern basis.

### 7. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

Management Discussion and Analysis Report as required under Clause 49(F) of the Listing Agreement is annexed hereto as Annexure-I and forms part of the Directors' Report.

### 8. CORPORATE GOVERNANCE & COMPLIANCE CERTIFICATE

A detailed report on corporate governance of the Company as required under Clause 49(VI) of the Listing Agreement is enclosed as Annexure-II. A Practicing Company Secretary has certified compliance with the requirement of corporate governance in relation to Clause 49 of the Listing Agreement.

### 9. FIXED DEPOSITS

Your Company has neither invited nor accepted any deposits from the public within the meaning of the Companies (Acceptance of Deposits) Rule, 1975, during the last financial year.



# MVL Industries Limited

## 10. AUDITORS

M/s. Arun Kishore & Co., Chartered Accountants, New Delhi, the Statutory Auditors, retire at the conclusion of ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept the office if reappointed. They have furnished a certificate stating that their re-appointment would be within the limits specified under Section 224(IB) of the Companies Act, 1956.

The Audit Committee and the Board recommends the re-appointment of M/s Arun Kishore & Co., Chartered Accountants.

## 11. AUDITORS' REPORT

The Auditors' Report to the members together with Audited Accounts for the year ended 30<sup>th</sup> June 2010 and notes thereon are attached, which are self-explanatory except their remark regarding unconfirmed balances and not providing provision of doubtful debts, to which the board provides the following explanation:

- (i) Unconfirmed balances of some of Sundry Debtors, Creditors, Loans, Advances & Deposits: Company has its own Internal Audit System to monitor the reconciliation periodically, hence, confirmation of all outstanding balances at the year end are not taken;
- (ii) Non-provision of doubtful debts and advances: Company is hopeful for their recovery during the ensuing year, so no provision has been created.

## 12. PARTICULARS OF EMPLOYEES

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended is as follows:

Name of the Employees	Designation	Remuneration * (in Rs.)	Qualification	Experience	Date of Commencement of Employment	Age	Particulars of the last employment
Mr. Prem Adip Rishi	Chairman & Managing Director	38,50,000	B. Sc.	34 Years	01.04.1993	57	Own Business
Mr. Rakesh Gupta	Whole Time Director	17,67,000	FCA	22 Years	20.10.1997	46	Service

\* Remuneration includes the basic salary and allowances.

## 13. PERSONNEL

The employer-employee relations throughout the year were very cordial. The Company enjoys a healthy working atmosphere that inspires the employees to put their best foot forward in achieving a high-sustainable growth. The Directors also wish to place on record the support and confidence reposed in the management by the employees. Total quality in every sphere of activities, employee training

and development continues to be on the top priority of your management.

## 14. CONSERVATION OF ENERGY

The Company is not covered under Schedule to Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 therefore not required to make any disclosure of particulars with respect to conservation of energy.

## 15. RESEARCH AND DEVELOPMENT

Since the market scenario and technologies are changing rapidly, research and development (R&D) is important to ensure that Company increases its market share. The Company always attempts to use the latest and advanced technology in production process. Keeping pace with the technological developments, the Company keeps on adding sophisticated equipments with focus on automation to minimize manual intervention in the manufacturing process thereby ensuring better quality of the final products.

## 16. FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Foreign Exchange Earnings	Rs. Nil
b) Foreign Exchange Outgo	
- CIF value of imports of raw material and other goods	Rs. 23.18 Lacs
- Foreign travel	Rs. 0.14 Lacs

## 17. ACKNOWLEDGEMENT

Your Company has outperformed the industry in a challenging year and continues to maintain its leadership position. It has also been surpassing all international quality and cost benchmarks and continues to build shareholder value.

Your Directors look to the future with confidence and place on record their appreciation for the overwhelming co-operation and assistance received from investors, customers, business associates, bankers, vendors as well as regulatory and government authorities. Your Directors also thank the employees at all levels who, through their dedication, co-operation, support and smart work have enabled the Company to achieve rapid growth.

**By Order of the Board of Directors  
For MVL Industries Limited**

**Place: New Delhi  
Date: 16th November, 2010**

**Sd/-  
(Prem Adip Rishi)  
Chairman & Managing Director**



# MVL Industries Limited

## Annexure-I

### MANAGEMENT DISCUSSION AND ANALYSIS

The management has a great pleasure in presenting this Report as a part of Director's Report in compliance to the Corporate Governance Code of Securities and Exchange Board of India under Clause 49(F) of the Listing Agreement.

#### 1. Industry Structure

After facing the global recession India's economy is poised for growth at a faster pace in 2010-11 than expected, supported by a global recovery, domestic demand and a double-digit expansion in factory output. According to a study Indian incomes are likely to grow three-fold over the next two decades and India will become the world's fifth largest consumer market by 2025.

With a population of more than 100 Crores coupled with changing life style, higher disposable income, greater product awareness and affordable pricing, the consumer electronics industry has become one of the key segments in the electronics industry in India. The consumer electronics industry in India is a \$ 5 billion industry, which is growing at a rate of 10-12% every year.

Along with the manufacturing sector for capital goods, the manufacturing sector for consumer durables were prime contributors to the robust growth in the Index of Industrial Production (IIP), which grew by 16.7 percent in January 2010.

The Indian market exhibits contradictions that may be unique to this market. In addition to being a growing market, the Indian market also exhibits a diversity which is one of the key factors that has assisted India to drive through the economic crisis. While demand for premier products is increasing in India due to the changing lifestyle of consumers, low end products are also expected to find huge market in rural areas.

In order to tap semi-urban and rural demand, the Company's distribution networks has expanded in these areas. The move has positively impacted sales for rural expansion. The consumers in these areas are not as brand-conscious as their urban counterparts. Due to the lower prices of our products, these consumers have been inclined to buy our products, because they get value for the money they spend. We may add here that India has an increasingly affluent middle class population that on the back of rapid growth, has made the country's consumer electronics industry highly dynamic. But still, the consumer electronics goods, like DVD Players and Music Systems have low penetration in the country, representing vast room for future growth.

#### 2. SWOT Analysis

##### Strengths

- More than two decades old, professionally managed Company.
- Experienced, committed and forward-looking Management Team.
- Dedicated Distributor-Dealers Network spread all over the country enabling the Company to have faster and wide access to the market.
- Good Quality product portfolio with strong brand value & consumer confidence.
- Reputed "MEDIA" brand in general masses.

##### Weaknesses

- Dependence on Supplier of Products.
- Low margin on products because of severe competition.

##### Opportunities

- Continued growth in the consumer electronics market.
- Large and fast growing market for the Company's products viz. consumer electronics items.
- Rising disposable income.
- Electrification in rural India and increasing aspirations of people in rural India.

##### Threats

- Risk of technical obsolescence.
- Competition in general in consumer electronic industry and also from unorganized/gray market.
- Government policy on Taxation has significant impact on the price and thus demand for the Company's products.

#### 3. Adequacy of Internal Control Systems

The Company has set up an internal control procedures commensurate with its size and nature of the business and periodically reviews the internal control system and procedures leading to the orderly and efficient conduct of its business. These business procedures ensure optimum use and protection of the resources and compliance with the policies, procedures and statutes. The internal control systems provide for well defined policies, guidelines, authorization and approval procedures. The prime objective of such audits is to test the adequacy and effectiveness of the internal controls laid down by management and to suggest improvements.

The Audit Committee of the Board, Statutory Auditors and the Management are regularly apprised of internal audit findings. The Audit Committee of the Company consisting of Non-Executive and Independent Directors.

#### 4. Material Development in Human Resources

The company lays lot of importance on manpower rationalization and efficiency improvement. The company believes that human resources are vital resources for giving the company a competitive edge in the current business environment. The Company strictly follows the philosophy of congenial work environment, performance oriented work culture, knowledge, skill building, creativity and responsibility and performance based compensation. Action has been taken to develop and enhance the skills of human resource.

#### 5. Cautionary Statement

The statements in the Directors' and Management Discussion and Analysis Report describing the Company's projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied since the company's operations are influenced by many external and internal factors beyond the control of the Company.

By Order of the Board of Directors  
For MVL Industries Limited

Sd/-

Place: New Delhi

Date: 16th November, 2010

(Prem Adip Rishi)  
Chairman & Managing Director



# MVL Industries Limited

## Annexure-II

### REPORT ON CORPORATE GOVERNANCE

#### 1. The Company's philosophy on Code of Governance

Corporate Governance provides a framework within which stakeholders pursue the objectives of the organization most effectively and signifies acceptance by management of the inalienable rights of the shareholders as the true owners of the organization and of their own role as trustees on behalf of them. Corporate Governance has been a high priority for us both in the letter and in spirit. Our commitment to ethical and lawful business conduct is a fundamental shared value of our Board of Directors, senior management personnel and employees and is critical to the Company's success. Our standards for business conduct provide that we will uphold ethical and legal standards vigorously as we pursue our financial objectives. We believe that good governance brings about sustained corporate growth and long-term benefits to the stakeholders by adopting the following business philosophy:

- Fairness, transparency, accountability and fair to all stakeholders;
- Without compromising on the ethics and principles creating value for all stakeholders;
- Compliance with the law of land; and
- Clear communication of significant information leading to high degree of disclosures and transparency in the conduct of management and the business.

#### 2. Board of Directors

The present strength of the Board of Directors of the Company is six which besides Chairman & Managing Director, comprise of 1 (one) Executive Director and 4 (four) Non-Executive Directors. The Composition of the Board is in conformity with the Listing Agreement. No Director is a member of more than 10 (ten) committees or acts as Chairman of more than 5 (five) committees across all companies in which he/she is a Director.

##### i) Composition of the Board of Directors

Name of the Directors	Designation	Category (Independent/ Non-executive/ Excutive)	Number of Directorships held in other Companies	Number of Board Committee membership/ chairmanship held in other companies	
				Chairman	Member
Mr. Prem Adip Rishi	Chairman & Managing Director	Promoter Director	8	—	3
Mr. Rakesh Gupta	Whole Time Director	Executive Director	4	2	2
Mr. Rajesh Galhotra	Director	Non-Executive Director	2	—	—
Mr. Suresh Kumar Varma	Director	Non-Executive Independent Director	—	—	—
Mr. Vijay Kumar Sood	Director	Non-Executive Independent Director	2	2	—
Mrs. Kalpana Gupta	Director	Non-Executive Independent Director	5	—	—

- Number of directorships in other companies excludes alternate directorships, directorships held in private limited companies, foreign companies and in companies under Section 25 of the Companies Act, 1956.

- The Committees considered for the purpose are those prescribed under Clause 49 of the Listing Agreement(s).

#### ii) Attendance Record of Directors

Name of the Director	No. of Board meetings held	No. of Board meetings attended	Whether attended last AGM held on 29-12-2009
Mr. Prem Adip Rishi	25	25	Yes
Mr. Rakesh Gupta	25	25	Yes
Mr. Rajesh Galhotra	25	25	Yes
Mr. Suresh Kumar Varma	25	25	Yes
Mr. Vijay Kumar Sood	25	25	No
Mrs. Kalpana Gupta	25	25	Yes

#### iii) No. of Board Meetings held

As per the Listing Agreement, the Board must meet at least four times a year with a maximum gap of not more than four months between any two meetings.

During the year, total 25 (Twenty Five) Board Meetings were held on various dates as per details given below:

15.07.09	16.07.09	17.07.09	07.08.09
22.08.09	31.08.10	26.09.09	03.10.09
30.10.09	09.11.09	18.11.09	20.11.09
21.12.09	29.01.10	30.01.10	08.02.10
13.02.10	26.03.10	31.03.10	03.04.10
13.04.10	10.05.10	12.05.10	24.05.10
22.06.10			

#### iv) Brief resume of Directors proposed for appointment/re-appointment

- Mr. Suresh Kumar Varma**, aged 66 years is a Chartered Accountant. He has to his credit around 40 years of professional experience and is an Ex-Banker of Bank of Baroda. He brings with him wide range of Financial Accounting and Operational Experience. In addition to that, he has also rendered consultancy and financial advisory services to various organization and institutions.
- Mrs. Kalpana Gupta**, aged 47 years is a science graduate and also an Intermediate from the Institute of Chartered Accountants of India. She has to her credit around 21 years of experience in accounts and taxation matters.

#### v) No. of Shares held by Non-Executive Directors

Mr. Rajesh Galhotra, Non-Executive Director was holding 60 equity shares of the Company as on 30.06.2010.

#### vi). Relationship between Directors inter-se

Mr. Prem Adip Rishi, Chairman & Managing Director of the Company and Mr. Rajesh Galhotra, Director of the Company are related to each other.

#### 3. Committees of the Board

MVL Industries Limited has the following Committees of its Directors for the compliance with various Corporate Governance requirements:

- Audit Committee,
- Remuneration Committee,
- Share Transfer cum Demat Committee,
- Shareholders Grievance Redressal Committee.



# MVL Industries Limited

## a. Audit Committee

The Audit Committee is constituted in conformity with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with Stock Exchanges.

The Audit Committee would assure to the Board, adherence of adequate internal control and financial disclosure and other acts confirming to the requirements of Listing Agreement with the Stock Exchanges.

Presently, Audit Committee comprises 3 (three) members out of which 2 (two) are Non-Executive and Independent Directors viz. Mr. Suresh Kumar Varma (Chairman), Mrs. Kalpana Gupta and one is Non-Executive Director viz. Mr. Rajesh Galhotra. The Company Secretary of the Company i.e Mrs. Chetna Tyagi is the Secretary of the Committee.

The constitution as well as the terms of reference of the Audit Committee cover the matters specified under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956.

Four meetings of the Audit Committee were held on 26.09.2009, 30.10.2009, 30.01.2010, 12.05.2010.

The attendance at the Audit Committee:

Name of the Member	Designation	No. of meetings held	No. of meetings attended
Mr. Suresh Kumar Varma	Chairman	4	4
Mrs. Kalpana Gupta	Member	4	4
Mr. Rajesh Galhotra	Member	4	4
Mr. Rakesh Gupta	Permanent Invitee	4	4

## b. Remuneration policy and remuneration Committee

The Remuneration Committee of the Company comprises of 3 (three) Non-Executive and Independent Directors viz. Mr. Suresh Kumar Varma (Chairman), Mr. Rajesh Galhotra & Mrs. Kalpana Gupta. The Company Secretary of the Company is the Secretary of the Committee.

The details of the remuneration paid to the Directors of the Company during the year are as follows:

Name of the Directors	Gross Remuneration (in Rs.)	Sitting Fees (in Rs.)	Total (in Rs.)
Mr. Prem Adip Rishi	38,50,000/-	—	38,50,000/-
Mr. Rakesh Gupta	17,67,000/-	—	17,67,000/-

\*Gross Remuneration includes Basic Salary, Perquisites and Allowances, Contribution to Provident and other Funds.

The Non-Executive Directors have not drawn any remuneration from the Company except sitting fee for meetings of the Board attended by them.

## c. Share Transfer cum Demat Committee

The Company has a Share Transfer cum Demat Committee comprising Mr. Prem Adip Rishi, Mr. Rakesh Gupta and Mr. Rajesh Galhotra as members. All shares received for transfer or dematerialization, as the case may be, were either approved and/or registered within the prescribed time period, or a letter showing the requirement for correction of errors or the discrepancies were sent to the concerned members. As on the year end i.e. 30.06.2010, there was no

case of pending request for transfer or dematerialization beyond the stipulated time.

The details of meetings of Share Transfer cum Demat Committee:

Name of the Member	No. of meetings held	No. of meetings attended
Mr. Prem Adip Rishi	24	24
Mr. Rakesh Gupta	24	24
Mr. Rajesh Galhotra	24	24

## d. Shareholders Grievance Redressal Committee

Your company has also constituted Shareholders Grievance Redressal Committee to look into Shareholders' grievances and complaints and to resolve them satisfactorily and improve the quality of investor services.

Mr. Suresh Kumar Varma, Director of the Company, chairs the Committee. The other members of the Committee are Mr. Rajesh Galhotra and Mr. Rakesh Gupta, Directors of the Company. The Company Secretary of the Company is the Secretary of the Committee.

The Committee met four times during current year on 26.09.2009, 31.12.2009, 31.03.2010 and 30.06.2010, to review all investor grievances and ensure their speedy redressal. All the complaints received during the year under review regarding non-receipt of securities after transfer / transmission, requests for change of address and other complaints were resolved.

The attendance at the Shareholders Grievance Redressal Committee meetings is given below:

Name of the Member	No. of meetings held	No. of meetings attended
Mr. Suresh Kumar Varma	4	4
Mr. Rajesh Galhotra	4	4
Mr. Rakesh Gupta	4	4

## 4. General Body Meetings

The particulars of the last three Annual General Meetings:

Year	Date	Time	Location	Special resolution
2008-2009	29.12.2009	11.30 A.M	MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi-110054.	1. Appointment & remuneration of Managing Director under Section 198,269,309,310 and 311 read with Sch. XIII of the Companies Act, 1956. 2. Alteration of Articles of Association of the Company under Section 31 of the Companies Act, 1956.
2007-2008	23.12.2008	11.00 A.M.	Air Force Auditorium, Subroto Park, New Delhi-110010	Change of name of the Company from Media Video Limited to MVL Industries Limited u/s 21 and 31.
2006-2007	28.12.2007	10.00 A.M.	Air Force Auditorium, Subroto Park, New Delhi-110010	NIL



# MVL Industries Limited

## Notes:

- Special resolution was passed by show of hands.
- There was no postal ballot during the year.
- The Company has not convened any EGM during the year.

## 5. Disclosures

### i. Disclosure on materially significant Related Party Transactions

Related party transactions as required under Accounting Standard-18 are disclosed in Notes to Accounts to the Balance Sheet. In the opinion of the Board, these transactions have been done at arm's length as per prevailing market practice and they have no potential conflict with the interest of the Company at large.

### ii. Disclosure on non-compliance on any matter related to capital markets during last three years

No penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to capital market for non-compliance during the last three years. The Investor's complaints received through SEBI/ Stock Exchanges have been resolved in due course.

### iii. Whistle Blower Policy

There is a highly effective Whistle Blower Policy in the Company, which sets out the process and mechanism whereby employees at various levels in the organization can bring to the notice of the management, any violations of the applicable laws, rules and regulations and also any unethical or unprofessional conduct.

All such reports are taken up for consideration at appropriate intervals depending upon the gravity of the matter reported. Adequate rectifying measures are thereupon initiated in the right earnest, at the appropriate level.

In order to encourage the employees to freely air their views and voice their concerns on various matters and to prevent any victimization of the employees is kept strictly confidential.

It would be important to mention here that Audit Committee set up by the Board, constitutes a vital component of Whistle Blower mechanism and instances of financial misconduct if any, are reported to the Audit Committee. No employee is denied access to the Audit Committee.

## 6. Means of Communication

The Annual, Half yearly and Quarterly Results are submitted to the Stock Exchanges in accordance with the Listing Agreements and are normally published in English language in Business Standard and The Financial Express and in Hindi language in Business Standard, Veer Arjun & Jansatta.

## 7. General Shareholders' Information

### (a) Annual General Meeting

Date 22<sup>nd</sup> December, 2010  
Day Wednesday  
Time 12:30 P.M.  
Venue MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi-110054.

### (b) Financial Calendar: 1<sup>st</sup> July 2010 to 30<sup>th</sup> June 2011

#### Results for the Quarter ending

30 <sup>th</sup> September, 2010	Second week of November, 2010
31 <sup>st</sup> December, 2010	Second week of February, 2011
31 <sup>st</sup> March, 2011	Second week of May, 2011
30 <sup>th</sup> June, 2011	Last week of September, 2011
Annual General Meeting for the year ending 30 <sup>th</sup> June, 2011	Last week of December, 2011

### (c) Book Closure Date 20<sup>th</sup> December, 2010 to 22<sup>nd</sup> December, 2010 (both days inclusive)

### (d) Dividend: The Company has not declared any dividend.

### (e) Listing on Stock Exchanges

S.No.	Name of the Stock Exchanges	Stock Code
i.	National Stock Exchange of India Limited	'MVLIND'
ii.	Bombay Stock Exchange Limited	530435

### (f) Annual Listing Fee Paid to the Stock Exchanges for the year 2010-11

### (g) ISIN Number for NSDL & CDSL INE141B01020

### (h) Stock Price Data

Month	National Stock Exchange		Bombay Stock Exchange	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
July 2009	22.95	17.75	23.00	17.85
August 2009	26.75	17.00	25.80	17.00
September 2009	28.00	22.50	27.60	22.45
October 2009	28.00	24.10	27.10	24.00
November 2009	26.30	22.15	25.95	22.05
December 2009	25.70	22.75	27.40	20.75
January 2010	27.20	21.50	28.00	22.00
February 2010	30.05	20.30	27.90	20.10
March 2010	22.60	19.10	22.85	19.70
April 2010	23.20	20.65	23.50	20.45
May 2010	22.00	19.50	22.10	19.35
June 2010	22.50	19.15	22.65	19.50

Source: [www.nseindia.com](http://www.nseindia.com) Source: [www.bseindia.com](http://www.bseindia.com)

### (i) Distribution of Shareholding/ Shareholding Pattern

#### (a). Shareholding Distribution Schedule as on 30/06/2010

No. of shares	No. of Shareholders		Value of Equity Shares	
	Total	%	Total	%
Upto-5000	12021	91.603	12810780	5.078
5001-10000	641	4.885	4581300	1.816
10001-20000	244	1.859	3436140	1.362
20001-30000	74	0.564	1909640	0.757
30001-40000	22	0.168	768030	0.304
40001-50000	14	0.107	617520	0.245
50001-100000	48	0.366	10100020	4.003
100001 and above	59	0.450	218067480	86.435
<b>TOTAL</b>	<b>13123</b>	<b>100.000</b>	<b>252290910</b>	<b>100</b>





# MVL Industries Limited

## (b). Shareholding Pattern as on 30/06/2010

Category	No. of shares	% of Shareholding
<b>(A) Promoter Holding</b>		
Promoters	11449622	45.38
<b>Sub Total (A)</b>	<b>11449622</b>	<b>45.38</b>
<b>(B) Institution</b>		
(a) Mutual Funds/ UTI	7440	0.03
(b) Financial Institutions/ Banks	1080	0.00
<b>Sub Total (B)</b>	<b>8520</b>	<b>0.03</b>
<b>(C) Non-Institution</b>		
(a) Bodies Corporate	10135330	40.17
(b) Indian Public	3583403	14.2
(c) Clearing Member	1548	0.01
(d) Any Other (NRIs/ OCBs)	50668	0.20
<b>Sub Total( C)</b>	<b>13770949</b>	<b>54.58</b>
<b>Grand Total ( A+B+C)</b>	<b>25229091</b>	<b>100.00</b>

## (j) Shares Transfer System

The shares of the company are tradable compulsorily in the demat form and are available for trading in the depository systems of both National Securities Depository Ltd. (NSDL) & Central Depository Services (India) Ltd. (CDSL). The share transfer work is handled by Registrar and Share Transfer Agent (RTA), Alankit Assignments Limited. All requests received by the Company/RTA for Dematerialisation/ Rematerialisation/ Transfer are disposed off expeditiously. Share Certificates duly endorsed are issued/ transferred to all those shareholders, who opt for shares in the physical form.

## (k) Dematerialization of Shares

The Company's Equity Shares are eligible for dematerialization. The Company has signed agreements with both the depositories namely NSDL and CDSL. The shareholders may therefore hold Company's share in electronic mode. The Company's ISIN No. for both the depositories is INE141B01020. As on 30<sup>th</sup> June, 2010, 2,47,63,531 Equity Shares constituting 98.15% of total Equity of the Company were held in dematerialized form with both the depositories namely NSDL and CDSL.

## (l) Outstanding GDRs / ADRs / Warrants etc.

During the last year the approval of shareholders was taken in their meeting held on 25<sup>th</sup> May, 2009 for issue and allotment of 2600000 Convertible Warrants to Promoter (s)/ Promoter(s) Group Companies.

The Board of Directors in their meeting held on 07/08/2009 had allotted 2600000 Convertible Warrants to Promoter (s)/ Promoter(s) Group Companies. Out of these 681702 convertible warrants got converted into equity shares. Now, 1918298 of the above stated Warrants are pending for conversion.

## (m) Plant Location

A-785, RIICO Industrial Area,  
Bhiwadi, Distt. Alwar,  
Rajasthan.

## (n) Registrar and Share Transfer Agent

Alankit Assignments Limited,  
'Alankit House'  
2E/21, Jhandewalan Extension,  
New Delhi-110055.  
Ph: 42541234, 23541234  
Fax: 91-11-42541967  
E-mail: info@alankit.com

## (o) Investors' correspondence can also be addressed to:

Chetna Tyagi  
Compliance Officer and Company Secretary  
MVL Industries Limited,  
"Media House",  
B-86/1, Okhla Industrial Area,  
Phase-II, New Delhi – 110020.  
Ph: 41613145-47  
Fax: 91-11-26385832  
E-mail: investors@mediavideoonline.com

## (p) CEO/CFO Certification

As required by Clause 49 of the Listing Agreement, the CEO/ CFO certification is given in the Annual Report.

## (q) Compliance of Code of Conduct

Your Company has laid down a Code of Conduct for all the Board Members and Senior Management as stipulated in Clause 49(I)(D) of the Listing Agreement. All Board Members and the Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the financial year ended 30<sup>th</sup> June, 2010. The declaration signed by Mr. Prem Adip Rishi, Chairman & Managing Director is given hereunder: -

### Declaration under Clause 49 (I) (D) of the Code of Conduct

To,

The Board of Directors,  
MVL Industries Limited,

As per the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges, the Company has laid down a Code of Conduct for its Board of Directors and Senior Management.

I, Prem Adip Rishi, Chairman & Managing Director of the Company confirm the compliance of this Code of Conduct by all the members of the Board and Senior Management Personnel.

**By Order of the Board of Directors  
For MVL Industries Limited**

**Sd/-**

**Place: New Delhi**

**Prem Adip Rishi**

**Date : 16<sup>th</sup> November, 2010 Chairman & Managing Director**



## **MVL Industries Limited**

### **CEO/CFO CERTIFICATION**

To,

The Board of Directors,  
MVL Industries Limited.

We, Prem Adip Rishi, Managing Director and Rakesh Gupta, Executive Director (Finance) certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year ended 30<sup>th</sup> June, 2010 and to the best of our knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations;
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed the Auditors and Audit Committee, deficiencies in the design and operations of such internal controls, if any, of which we are aware and steps have been taken to rectify these deficiencies;
- (d) We have indicated to the Auditors and the Audit Committee:
  - (i) Significant changes in the internal control over financial reporting during the year;
  - (ii) Significant changes in accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place : New Delhi  
Date : 16<sup>th</sup> November, 2010

Sd/-  
(Prem Adip Rishi)  
Managing Director

Sd/-  
(Rakesh Gupta)  
Executive Director

### **Certificate of Company Secretary in Practice regarding compliance of conditions of Corporate Governance**

To,

The members,  
MVL Industries Limited.

I have examined the compliance of conditions of corporate governance by MVL Industries Limited for the year ended 30<sup>th</sup> June, 2010, as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to procedure and implements 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 my opinion and to the best of my information and according to the explanation given to me, I certify that the Company has complied with the Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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

Place : New Delhi  
Date : 16<sup>th</sup> November, 2010

Sd/-  
R.S. Bhatia  
Company Secretary in Practice  
C.P. No. 2514



## MVL Industries Limited

### AUDITORS' REPORT

The Shareholders,

#### MVL INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of **MVL INDUSTRIES LIMITED** New Delhi as at 30th June 2010 and also the Profit & Loss Account and Cash Flow Statement of the company 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 have 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 misstatements. 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 ('the Order') as amended, 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.
4. Further to our comments in the Annexure, referred to in paragraph 3 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 the books.
  - c) The Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow 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,
  - e) On the basis of the written representations received from the directors, as on June 30, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on June 30, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, **Subject to Note No. 'B' – 24 of Schedule 'R' regarding some of the unconfirmed balances of Sundry Debtors, Creditors, Loans, advances and deposits and Note No. 'B' 17 of the said schedule regarding non provision of advances/debts considered doubtful of recovery** and read together with Significant Accounting Policies and Notes given in Schedule 'R' give the information required by the Companies Act, 1956, in the manner so required and also give a true and fair view in conformity with the accounting principles generally accepted in India :

1. In the case of Balance Sheet, of the state of the affairs of the company as at 30<sup>th</sup> June, 2010 ,
2. In the case of the Profit & Loss Account, of the Profit of the company for the year ended on that date.
3. In the case of the Cash Flow Statement, of the Cash flows for the year ended on that date.

**For ARUN KISHORE & COMPANY**  
**CHARTERED ACCOUNTANTS**  
 ( FRN No. 001898N)  
 Sd/-

**Place : New Delhi**  
**Date : 28<sup>th</sup> August, 2010**

**CA ARUN KISHORE**  
**PARTNER**  
**Membership No. 10770**

**Reg. MVL INDUSTRIES LIMITED YEAR ENDED 30.06.2010**

#### **ANNEXURE REFERRED TO UNDER PARAGRAPH 3 OF THE AUDITOR'S REPORT OF EVEN DATE**

- I) In respect of Fixed Assets
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets;
  - b) During the year as informed to us, no discrepancy was noticed on physical verification of fixed assets;
  - c) During the year the company has not disposed off substantial part of fixed asset.
- II) In respect of Inventories
  - a) According to the information given to us the management has conducted physical verification of stocks, at reasonable intervals during the year;
  - b) In our opinion and according to the information and explanations given to us, the procedure for physical verification of inventory followed by the management is reasonable and adequate keeping in view the size of the company and the nature of its business;
  - c) The company has maintained proper records of inventory and no sizable discrepancies were noticed on physical verification as compared with the book record.
- III) In respect of loans, secured or unsecured ,granted or taken by the Company to or from Companies ,firms or from other parties covered in the register maintained under Section 301 of the Companies Act,1956,according to the information and explanations given to us :
  - a) The Company has granted inter corporate loan to one party .At the year end, the outstanding balance of such loan was Rs. 427.46 Lacs and the maximum amount involved during the year was Rs.1020.66 Lacs.
  - b) In our opinion, the rate of interest and other terms and conditions of the said loan are not prima facie, prejudicial to the interest of the Company.
  - c) In respect of the loan given by the Company, the same is repayable on demand and therefore there is no overdue amount.
  - d) As per information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
  - e) Since the company has not taken any loans, secured or unsecured provisions of clause 4 (iii) (e) & (f) of the



## MVL Industries Limited

Companies (Auditors Report) Order 2003 are not applicable.

- IV) 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 inventory, fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
- V) In respect of transactions covered under section 301 of the Companies Act, 1956:
- In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under Section 301 of the Companies Act, 1956 have been so entered;
  - In our opinion, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lacs in respect of any party during the year, have been made at prices which are generally reasonable, having regard to the prevailing market prices and other terms.
- VI) In our opinion and according to the information given to us, the Company has not accepted any deposits from public within the meaning of Sections 58A and 58AA of the Companies Act 1956 and the rules framed there under.
- VII) In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
- VIII) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost record under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 in respect of company's activities.
- IX) a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including Provident Fund, Employees State Insurance Scheme, Income Tax, Sales Tax, Custom Duty, Excise, Cess have generally been regularly deposited with appropriate authorities, **though there are some delayed payments;**
- According to the information and explanations given to us no undisputed amount payable in respect of aforesaid dues where outstanding as at 30<sup>th</sup> June 2010 for a period of more than 6 months from the date they become payable except Income-Tax dues of Rs. 85 Lacs (Rupees Eighty Five lacs) for which provision has been made in the books;
  - According to the records of the Company, following disputed statutory dues aggregating to Rs. 377.88 Lacs that have not been accepted as payable on account of appeals pending with appropriate authorities:-

S.No.	Name of the statute	Nature of the dues & period	Amount under dispute (Rs. in lacs)	Forum where dispute is pending
1.	Delhi Sales Act	Sales Tax for 87-88 and 88-89	11.50	Delhi High Court
2.	Sales Tax Act of West Bengal	Sales Tax for 2001-2002	1.96	Commercial Tax Officer
3.	U.P. Sales Tax Act	Sales Tax for 2001-2002	1.34	Joint Commissioner appeal Trade Tax

4.	Income Tax	Asstt. Year 2000-2001 to 2005-2006	210.60	ITAT, New Delhi
5.	Delhi Vat Act	VAT, Nov. 05	152.48	Tribunal Vat, New Delhi
<b>Total</b>			<b>377.88</b>	

- X) The Company's has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding to financial year.
- XI) According to the information and explanations given to us, during the year the Company has not defaulted in re-payment of dues to any financial institution or banks. The Company has no liability for debenture.
- XII) Based on our examination and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII) The Company is not a chit fund/nidhi/mutual benefit fund/society, as such the provisions of clause 4(xiii) of the order are not applicable.
- XIV) In our opinion and according to the information and explanations given to us, during the year the company is engaged in trading in shares, securities, debentures and other investments. The Company has maintained proper records of transaction and contracts, timely entries are made therein and the shares, securities, bonds and other investments are held in its own name.
- XV) According to the information and explanations given to us, and the representations made by the management, the guarantees given by the Company for loans taken by others from banks, in our opinion, are prima facie, not prejudicial to the interest of the Company.
- XVI) In our opinion and according to the information and explanation given to us, we have to state that, the Company has, prima-facie, applied the term loans availed, for the purpose for which it was obtained:
- XVII) According to the information and explanations given to us, and on an overall examination of Balance Sheet and the Cash Flow statement of the company, and after placing reliance on the reasonable assumptions made by the Company for classification of usage of funds we are of the opinion that prima facie, short-term funds have not been used for long term investment;
- XVIII) During the year the Company has made preferential allotment of shares to parties covered in the register maintained under Section 301 of the Companies Act, 1956. The price at which preferential allotment of shares has been made is in accordance with SEBI (Issue of capital and disclosure requirements) guidelines and are not prejudicial to the interest of the company.
- XIX) During the year the Company has not issued any debentures.
- XX) The Company has not raised any money by public issues during the year.
- XXI) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

**For ARUN KISHORE & COMPANY  
CHARTERED ACCOUNTANTS  
(FRN: 001898 N)  
Sd/-**

**Place : New Delhi  
Date : 28<sup>th</sup> August, 2010**

**CA ARUN KISHORE  
PARTNER  
Membership No. 10770**



# MVL Industries Limited

## Balance Sheet as at 30th June 2010

PARTICULARS	SCHEDULE	AS at 30/06/2010 (Rs.)	AS at 30/06/2009 (Rs.)
<b>SOURCES OF FUND</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	'A'	252,290,910	245,473,890
Convertible Warrants Application (Refer Note No. A -13 of schedule " R ")		18,444,384	-
Reserves and Surplus	'B'	916,619,259	753,528,494
		1,187,354,553	999,002,384
<b>LOAN FUNDS</b>			
Secured Loans	'C- 1'	1,249,126,531	785,727,289
Unsecured Loans	'C- 2'	273,508,313	322,739,726
		1,522,634,844	1,108,467,015
Deferred Tax Liability		5,118,575	6,109,539
<b>TOTAL</b>		<b>2,715,107,972</b>	<b>2,113,578,938</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>	'D'		
Gross Block		185,350,223	174,382,831
Less : Depreciation		123,632,403	118,470,354
		61,717,820	55,912,477
Add : Capital Work in Progress		13,481,019	23,339,812
Net Block		75,198,839	79,252,289
Investments	'E'	198,867,124	196,895,000
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
(A) CURRENT ASSETS	'F'		
Stocks		548,722,663	513,276,172
Debtors		1,305,553,654	1,201,734,838
Cash & Bank Balances		73,981,789	48,904,811
		1,928,258,106	1,763,915,821
(B) Loans & Advances	'G'	861,808,976	436,483,649
		2,790,067,082	2,200,399,470
<b>Less : Current Liabilities &amp; Provisions</b>			
(A) Current Liabilities	'H-1'	270,299,400	321,872,249
(B) Provisions	'H-2'	84,757,107	49,683,873
		355,056,507	371,556,122
<b>NET CURRENT ASSETS</b>		2,435,010,575	1,828,843,348
Miscellaneous Expenditure (To the extent not written off or adjusted)	'I'	6,031,434	8,588,301
<b>SIGNIFICANT ACCOUNTING POLICIES &amp; NOTES</b>	'R'		
		<b>2,715,107,972</b>	<b>2,113,578,938</b>

Subject to our report of even date

**For Arun Kishore & Company**

Chartered Accountants

(FRN: 001898N)

Sd/-

**CA Arun Kishore**

Partner

Membership No. 10770

Place : New Delhi

Date : 28th August , 2010

13

**For and on behalf of the Board of Directors**

Sd/-

**Prem Adip Rishi**

Chairman & Managing Director

Sd/-

**Rajesh Galhotra**

Director

Sd/-

**Rakesh Gupta**

Whole Time Director

Sd/-

**Chetna Tyagi**

Company Secretary



## MVL Industries Limited

### Profit & Loss Account for the year ended 30th June, 2010

PARTICULARS	SCHEDULE	CURRENT YEAR ENDED 30/06/2010 (Rs.)	PREVIOUS YEAR ENDED 30/06/2009 (Rs.)
<b>INCOME</b>			
Sales		4,375,080,073	3,548,240,375
Increase / (Decrease) in Stocks		35,621,439	160,630,990
Miscellaneous Income	'J'	160,629,259	55,976,211
		<u>4,571,330,771</u>	<u>3,764,847,576</u>
<b>EXPENDITURE</b>			
Raw Material Consumed	'K'	3,139,031	1,203,129
Goods Purchased		4,104,863,597	3,417,849,431
Direct Overheads	'L'	3,753,429	3,318,744
Administrative Expenses	"M"	23,972,825	26,710,939
Staff Cost	'N'	19,346,567	20,496,084
Selling & Distribution Expenses	'O'	6,799,010	3,746,979
Financial Expenses	'P'	209,011,823	161,612,679
Depreciation	'D'	5,750,711	5,114,075
<b>TOTAL EXPENDITURE</b>		<u>4,376,636,993</u>	<u>3,640,052,060</u>
<b>PROFIT</b>		194,693,778	124,795,516
Less : Prior Period Adjustments	'Q'	2,716,173	1,135,603
<b>PROFIT BEFORE TAXATION</b>		191,977,605	123,659,913
Provisions for Income Tax		33,000,000	33,963,000
Provisions for Fringe Benefit		-	510,000
Provision for Deferred Tax (DR)/CR		(990,964)	(8,615,043)
<b>PROFIT AFTER TAXATION</b>		159,968,569	97,801,956
Balance Brought Forward		509,701,865	421,899,909
Amount Available for Appropriation		<u>669,670,434</u>	<u>519,701,865</u>
<b>APPROPRIATIONS</b>			
Transfer to General Reserve		10,000,000	10,000,000
Balance Carried Forward to Balance Sheet		659,670,434	509,701,865
		<u>669,670,434</u>	<u>519,701,865</u>

Subject to our report of even date

**For Arun Kishore & Company**

Chartered Accountants

(FRN: 001898N)

Sd/-

**CA Arun Kishore**

Partner

Membership No. 10770

Place : New Delhi

Date : 28th August , 2010

**For and on behalf of the Board of Directors**

Sd/-

**Prem Adip Rishi**

Chairman & Managing Director

Sd/-

**Rajesh Galhotra**

Director

Sd/-

**Rakesh Gupta**

Whole Time Director

Sd/-

**Chetna Tyagi**

Company Secretary



## MVL Industries Limited

### Schedules annexed to and forming part of the Balance Sheet

PARTICULARS	AS AT 30/06/2010 (Rs.)	AS AT 30/06/2009 (Rs.)
<b>SCHEDULE 'A'</b>		
<b>AUTHORISED CAPITAL</b>		
3,67,35,351 Equity shares of Rs.10/- each	<b>367,353,510</b>	<b>367,353,510</b>
<b>ISSUED,SUBSCRIBED &amp; PAID-UP CAPITAL</b>		
2,52,29,091 ( Previous year 2,45,47,389) Equity Shares of Rs.10/- each fully paid up ( Refer Note No.A-13 of schedule "R")	252,290,910	245,473,890
Note: Out of the above shares, 90,00,000 Equity Shares were allotted as fully paid up, pursuant to the scheme of amalgamation as on Jan,06 for consideration other than cash.		
	<b>252,290,910</b>	<b>245,473,890</b>
<b>SCHEDULE 'B'</b>		
<b>RESERVES &amp; SURPLUS</b>		
(a) General Reserve	144,869,248	134,869,248
Add: Provision made during the year	10,000,000	10,000,000
	154,869,248	144,869,248
(b) Share Premium account		
( Refer Note No. A-13 of schedule " R " )	102,079,577	98,957,381
(c) Balance of Profit & Loss A/c	659,670,434	509,701,865
	<b>916,619,259</b>	<b>753,528,494</b>
<b>SCHEDULE 'C - 1'</b>		
<b>SECURED LOANS</b>		
<b>WORKING CAPITAL LIMITS</b>		
<b>FROM BANKS</b>	1,162,962,989	710,761,252
[Above loans are secured against hypothecation of stocks,debts, other movable and immovable assets present or future and personal Guarantee of the Managing Director]		
<b>OTHERS</b>		
[ Secured against hypotheciation of vehicles/equipments and/or against third parties guarantee & securities ]	86,163,542	74,966,036
<b>SCHEDULE 'C - 2'</b>		
<b>UNSECURED LOANS</b>		
From Banks & Institutions	273,508,313	322,739,726
	<b>1,522,634,844</b>	<b>1,108,467,015</b>



# MVL Industries Limited

## SCHEDULE 'D' FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as on 01.07.2009	Addition	Sales/Trf.	Cost as on 30.06.2010	Total upto 01.07.2009	Adj. for Sale/Trf.	Current Year	Total upto 30.06.2010	As on 30.06.2010	As on 30.06.2009
Land	10,622,159	-	-	10,622,159	-	-	-	-	10,622,159	10,622,159
Building	40,712,001	-	-	40,712,001	17,208,460	-	1,359,781	18,568,241	22,143,760	23,503,541
Tubewell	269,190	-	-	269,190	125,758	-	8,991	134,749	134,441	143,432
<b>Total (a)</b>	<b>51,603,350</b>	<b>-</b>	<b>-</b>	<b>51,603,350</b>	<b>17,334,218</b>	<b>-</b>	<b>1,368,772</b>	<b>18,702,990</b>	<b>32,900,360</b>	<b>34,269,132</b>
Plant & Machinery	24,583,388	-	-	24,583,388	16,829,546	-	1,147,931	17,977,477	6,605,911	7,753,842
Dies & Moulds	27,680,774	-	-	27,680,774	26,889,632	-	191,370	27,081,002	599,772	791,142
Testing Equipment	1,320,529	-	-	1,320,529	979,874	-	59,627	1,039,501	281,028	340,655
Office Equipment	43,611,844	115,808	-	43,727,652	42,333,106	-	167,362	42,500,468	1,227,184	1,278,739
Vehicles	19,059,156	11,713,717	875,633	29,897,240	9,276,183	588,663	2,511,768	11,199,288	18,697,952	9,782,973
Electrical Installation	4,425,861	-	-	4,425,861	2,901,260	-	196,937	3,098,197	1,327,664	1,524,601
<b>Total (b)</b>	<b>120,681,552</b>	<b>11,829,525</b>	<b>875,633</b>	<b>131,635,444</b>	<b>99,209,601</b>	<b>588,663</b>	<b>4,274,995</b>	<b>102,895,933</b>	<b>28,739,511</b>	<b>21,471,952</b>
Furniture & Fixture	2,097,929	13,500	-	2,111,429	1,926,536	-	106,944	2,033,480	77,949	171,391
<b>Total (c)</b>	<b>2,097,929</b>	<b>13,500</b>	<b>-</b>	<b>2,111,429</b>	<b>1,926,536</b>	<b>-</b>	<b>106,944</b>	<b>2,033,480</b>	<b>77,949</b>	<b>171,391</b>
<b>Total (a) + (b) + (c)</b>	<b>174,382,831</b>	<b>11,843,025</b>	<b>875,633</b>	<b>185,350,223</b>	<b>118,470,355</b>	<b>588,663</b>	<b>5,750,711</b>	<b>123,632,403</b>	<b>61,717,820</b>	<b>55,912,475</b>
<b>Balance as on 30-06-2009</b>	<b>174,185,181</b>	<b>1,219,161</b>	<b>1,021,512</b>	<b>174,382,831</b>	<b>113,868,521</b>	<b>512,242</b>	<b>5,114,075</b>	<b>118,470,354</b>	<b>55,912,477</b>	<b>60,316,660</b>
<b>Capital Work in Progress</b>										
Building IMT Maneser(U/I)	8,417,429	2,806,123	-	11,223,552	-	-	-	-	11,223,552	8,417,429
Computer (U/I)	13,693,199	-	12,664,916	1,028,283	-	-	-	-	1,028,283	13,693,199
Plant & Machinery (U/I)	1,229,184	-	-	1,229,184	-	-	-	-	1,229,184	1,229,184
<b>Total</b>	<b>23,339,812</b>	<b>2,806,123</b>	<b>12,664,916</b>	<b>13,481,019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,481,019</b>	<b>23,339,812</b>
<b>Balance as on 30-06-2009</b>	<b>15,605,138</b>	<b>7,734,674</b>	<b>-</b>	<b>23,339,812</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,339,812</b>	<b>15,605,138</b>
<b>Grand Total : 30.06.2010</b>	<b>197,722,643</b>	<b>14,649,148</b>	<b>13,540,549</b>	<b>198,831,242</b>	<b>118,470,355</b>	<b>588,663</b>	<b>5,750,711</b>	<b>123,632,403</b>	<b>75,198,839</b>	<b>79,252,287</b>
<b>Grand Total : 30.06.2009</b>	<b>189,790,319</b>	<b>8,953,835</b>	<b>1,021,512</b>	<b>197,722,643</b>	<b>113,868,521</b>	<b>512,242</b>	<b>5,114,075</b>	<b>118,470,355</b>	<b>79,252,289</b>	<b>75,921,798</b>

### PARTICULARS

**AS AT  
30.06.2010  
(Rs.)**

**AS AT  
30.06.2009  
(Rs.)**

### SCHEDULE 'E'

#### INVESTMENT

##### Equity Shares (Long Term) (Unquoted at Cost)

(a) 10,000 Equity Shares of Rs. 10/- each of Media Satellite & Telecoms Ltd.	100,000	100,000
(b) 25,20,000 Equity Shares of Rs. 10/- each of MVL Telecom Ltd. (Formerly Media Industries Ltd.)	50,400,000	50,400,000
(c) 24,800 Equity Shares of Rs.10/- each of MVL Solar Power Ltd.	248,000	248,000
	<b>50,748,000</b>	<b>50,748,000</b>

##### Equity Shares (Long Term) (Quoted at Cost)

(d) 32,476,326 Equity Shares of Rs.2/- each ( Previous year 70,00,000 Equity Shares of Rs.10/- each) of MVL Ltd. ( Out of the above 2,25,25,000 Equity shares of Rs.2/- each are pledged against loan availed by an associate company.)	134,926,753	145,400,000
(e) 1,80,910 Equity Shares of Rs.10/- each of OCL Iron and Steel Ltd.	6,233,592	-
(f) 50,000 Equity Shares of Rs.10/- each of Burnpur Cement Ltd.	1,503,371	-
(g) 12,146 Equity Shares of Rs.10/- each of Everest Industries Ltd.	2,708,408	-
	<b>145,372,124</b>	<b>145,400,000</b>

##### Government Securities (Unquoted at Cost)(Long Term)

National Saving Certificates\ Kissan Vikas Patra (Pledged with Sales Tax Authorities)	27,000	27,000
<b>PRINCIPAL MUTUAL FUND(Long Term)(Quoted at Cost)</b>	<b>2,720,000</b>	<b>720,000</b>

141,350 (Previous year 69845 ) units of Rs 10/- each (Quoted - at cost)

**2,747,000**  
**198,867,124**

**747,000**  
**196,895,000**

##### Market Value of quoted securities

Shares	2,159,834,563	784,000,000
Mutual Funds	3,000,864	593,744





# MVL Industries Limited

PARTICULARS	AS AT 30.06.2010 (Rs.)	AS AT 30.06.2009 (Rs.)
<b>SCHEDULE 'F'</b>		
<b>CURRENT ASSETS</b>		
<b>A. Closing Stock</b>		
Raw Material	1,046,313	1,587,221
Finished Goods	547,167,965	511,546,526
Packing Material, Stores & Spares	508,385	142,425
	<b>548,722,663</b>	<b>513,276,172</b>
<b>B. Sundry Debtors ( Unsecured)</b> (considered good unless otherwise specified)		
Due for Over six months	1,615,500	1,520,650
Due for less than six Months	1,303,938,154	1,200,214,188
	<b>1,305,553,654</b>	<b>1,201,734,838</b>
<b>C. Cash &amp; Bank Balances</b>		
Cash and Imprest balances	7,435,472	323,334
Balances with Scheduled Banks	11,699,244	15,216,630
FDR.'s\Margin Money with Scheduled Banks(pledged)	54,847,073	33,364,847
	<b>73,981,789</b>	<b>48,904,811</b>
<b>SCHEDULE 'G'</b>		
<b>LOANS &amp; ADVANCES</b> (Unsecured considered good unless otherwise specified)		
Security Deposits	764,014	764,014
Advances against 'Purchases & Expenses	793,250,162	336,652,644
Other advances recoverable in Cash or in kind or for Value to be received	65,143,340	95,622,099
Interest Accrued	2,651,460	3,444,892
	<b>861,808,976</b>	<b>436,483,649</b>
<b>SCHEDULE 'H-1'</b>		
<b>CURRENT LIABILITIES</b>		
<b>SUNDRY CREDITORS</b>		
For Goods Supplied	261,052,041	289,726,239
For Expenses & Others	9,100,369	31,625,003
For Advances From Customers	146,990	521,007
	<b>270,299,400</b>	<b>321,872,249</b>
<b>SCHEDULE 'H-2'</b>		
<b>PROVISIONS</b>		
Provision for Income Tax	77,629,035	42,820,945
Provision for Fringe Benefit Tax	510,000	435,000
Provision for Gratuity	6,618,072	6,427,928
	<b>84,757,107</b>	<b>49,683,873</b>
<b>SCHEDULE 'I'</b>		
<b>MISCELLANEOUS EXPENDITURE</b>		
Deferred Revenue Expenses	6,031,434	8,588,301
	<b>6,031,434</b>	<b>8,588,301</b>
<b>SCHEDULE 'J'</b>		
<b>MISCELLANEOUS INCOME</b>		
Interest Income	16,644,553	54,589,006
Miscellaneous Income( Including gain on sale of shares)	143,984,706	1,387,205
	<b>160,629,259</b>	<b>55,976,211</b>
<b>SCHEDULE 'K'</b>		
<b>RAW MATERIAL CONSUMED</b>		
Opening Stock	1,587,221	1,304,628
Add: Purchase ( Indigenous )	717,652	820,441
Add: Purchase ( Imported )	2,026,834	833,435
	4,331,707	2,958,504
Less: Cenvat Credit	146,363	168,154
	4,185,344	2,790,350
Less: Closing Stock	1,046,313	1,587,221
<b>NET - RAW MATERIAL CONSUMED</b>	<b>3,139,031</b>	<b>1,203,129</b>



# MVL Industries Limited

PARTICULARS	AS AT 30.06.2010 (Rs.)	AS AT 30.06.2009 (Rs.)
<b>SCHEDULE 'L'</b>		
<b>DIRECT OVER HEADS</b>		
Carriage Inward	292,073	148,857
Repair & Maintenance	85,694	217,091
Excise Duty Paid	864,165	881,855
Power & Fuel	1,800,116	1,756,878
Packing & Stores Consumed	711,381	314,063
	<b>3,753,429</b>	<b>3,318,744</b>
<b>SCHEDULE 'M'</b>		
<b>ADMINISTRATIVE EXPENSES</b>		
Legal & Professional Charges	4,198,159	4,591,513
Conveyance	909,615	517,733
Repair & Maintenance	1,602,943	1,119,482
Printing & Stationery	422,648	489,505
Postage & Courier	174,651	284,442
Watch & Ward Expenses.	1,503,191	1,492,916
Travelling (Directors)	-	38,107
Travelling (Others)	424,108	1,740,506
Rent	2,661,168	2,392,428
Telephone Expenses	1,061,647	745,937
Subscription Books & Periodicals	338,448	25,667
Donation	2,500	-
Deferred Revenue Expenses Written/off	2,556,869	2,556,869
Rates Fee & Taxes	755,613	885,525
Miscellaneous Expenses	123,518	483,270
Rebate & Discount	(621,572)	(373,763)
Bad debts	3,484,825	5,724,960
Insurance Charges	1,177,099	716,639
Keyman Insurance	2,436,192	2,441,322
Meeting Expenses	70,428	125,115
Auditors Remuneration	553,806	373,496
Loss on sale of Fixed assets	136,970	339,270
	<b>23,972,825</b>	<b>26,710,939</b>
<b>SCHEDULE 'N'</b>		
<b>STAFF COST</b>		
Wages,Salaries & Welfares	17,744,746	18,833,346
Bonus	525,100	530,586
Contribution to Funds	1,076,721	1,132,152
	<b>19,346,567</b>	<b>20,496,084</b>
<b>SCHEDULE 'O'</b>		
<b>SELLING &amp; DISTRIBUTION</b>		
Advertisement Expenses	268,881	456,394
Carriage Outwards	979,123	985,005
Sales Promotion	4,331,578	576,014
C & F Charges	901,541	1,057,111
Warranty & Service Charges	317,887	672,455
	<b>6,799,010</b>	<b>3,746,979</b>
<b>SCHEDULE 'P'</b>		
<b>FINANCIAL CHARGES</b>		
Interest / Discounting Charges	177,964,572	131,462,092
Bank Charges	30,089,853	29,539,639
Hire purchase charges	957,398	610,948
	<b>209,011,823</b>	<b>161,612,679</b>
<b>SCHEDULE 'Q'</b>		
<b>PRIOR PERIOD ADJUSTMENTS</b>		
Balances written off\ (written back)(net)	(13,254)	238,058
Rates & Taxes	2,800	17,000
Salary,bonus,leave encashment	8,047	(211,758)
C&F Charges	-	7,500
Taxes for the earliar year	2,718,580	1,084,803
	<b>2,716,173</b>	<b>1,135,603</b>

Figures in bracket indicate Credit balances.



## **MVL Industries Limited**

### **SCHEDULE 'R'**

### **SCHEDULE OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES FOR THE YEAR ENDED ON 30.06.2010**

#### **A) SIGNIFICANT ACCOUNTING POLICIES**

##### **1. METHOD OF ACCOUNTING**

The accounts of the Company are prepared under the historical cost convention using the accrual method of accounting unless otherwise stated hereafter. Accounting policies not specifically referred to are consistent with generally accepted accounting principles.

##### **2. RETIREMENT / EMPLOYEE BENEFITS**

- a) Provision for Gratuity Liability is made on actuarial valuation basis as per the requirement of Accounting Standard (AS – 15).
- b) The Company's contributions to ESI, Provident Fund and Pension Funds are charged as revenue expenditure.
- c) Provision for Leave Encashment is made as per company's leave rule policy.

##### **3. FIXED ASSETS AND DEPRECIATION**

- a) Fixed assets are stated at cost net of accumulated depreciation.
- b) Depreciation is provided on straight-line method at the rates specified under Schedule XIV of the Companies Act, 1956.
- c) Depreciation on additions to/deletion from Fixed Assets made during the year, is provided on pro rata basis from/upto the date of such addition/deletion, as the case may be.

##### **4. INVENTORY VALUATION**

Stocks of Raw material, Packing, Stores spares and Finished Goods are valued on first in first out basis, at lower of cost or market value, as per past practice.

##### **5. FOREIGN CURRENCY TRANSLATION**

Transactions in foreign exchange are accounted at the Exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currencies are converted at the Exchange rate as at the Balance Sheet date. The Exchange differences if any arising on such conversions of brought forward balances are recognized as income or expense in the Profit and Loss Account in the year of such conversion.

##### **6. AMORTISATION OF MISCELLANEOUS EXPENDITURE**

Deferred Revenue Expenses are amortized in ten equated annual installments.

##### **7. INVESTMENTS**

Investments are all long term and are stated at cost

##### **8. TAXES ON INCOME**

###### **CURRENT TAX**

Provision for Income Tax is based on assessable profits of the company as computed in accordance with the relevant provision of the Income Tax Act, 1961 for the year ending 30<sup>th</sup> June 2010.

##### **DEFERRED TAX**

Deferred tax is provided using the liability method in respect of the tax effect arising from all material timing differences between the accounting and tax treatment of income and expenditure which are expected with reasonable probability to crystallize in foreseeable future. Deferred tax assets are recognized in the financial statements only to the extent of and when such benefits are reasonably expected to be realized in the near future.

##### **9. ACCOUNTING STANDARDS**

The Company follows all the accounting standards as specified Under Section 211( 3C) of the Companies Act, 1956.

##### **10. SALES**

Sales are inclusive of Excise Duty, but exclusive of Sales Tax/VAT and net of returns if any.

##### **11. KEYMAN INSURANCE**

Premiums paid towards Keyman Insurance are charged as revenue during the year of payment and maturity proceeds are taken as income in the year of receipt. No asset is created during the year of payment.

##### **12. EXCISE DUTY, CENVAT AND VAT**

- a) Liability for Excise Duty on finished goods is accounted as and when goods are cleared from the factory premises. However provision for excise duty payable for manufactured finished goods in stock is made at the Balance Sheet date.
- b) CENVAT, if any availed on Capital goods or on purchases is not included in the cost of asset or goods.
- c) VAT availed on purchases does not form part of cost of goods.
- d) Unutilized balances if any of CENVAT and VAT at the year end are carried forward under the head loans and advances.

##### **13. PREFERENTIAL ALLOTMENTS**

Pursuance to the approval of the shareholders at the EGM held on 25<sup>th</sup> June'2009 , 26,00,000 convertible share warrants were allotted on 7<sup>th</sup> August 2009 to the promoters / promoter's group companies on preferential basis @ Rs. 14.58 per warrant aggregating to Rs. 3,79,08,000/-.

On exercise of option ( within 18 months ) on 31<sup>st</sup> March 2010, 6,81,702 Equity Shares of Rs.10/- each were allotted to the warrant holders at a premium of Rs.4.58 per share to rank pari-passu. Thus during the year, Issued , Subscribed & Paid up Share Capital has increased by Rs. 68,17,020/- and Share Premium has increased by Rs.31,22,196/- .

##### **14. WHOLLY OWNED SUBSIDIARY**

With the expansion of issued, subscribed & paid up capital of MVL Telecom Ltd.(formerly called Media Industries Ltd.) from Rs.252 lacs to 711.88 lacs with effect from 1<sup>st</sup> July,2009, MVL Telecom Ltd. has ceased to be subsidiary of the company w.e.f. the said date.



## MVL Industries Limited

### B. NOTES

PARTICULARS	FOR THE YEAR ENDED 30.06.2010 (RS. IN LACS)	FOR THE YEAR ENDED 30.06.2009 (RS. IN LACS)
<b>15 Contingent Liabilities</b>		
A. For Bank Guarantees	6.14	6.14
B. For Corporate Guarantees	12,850.00	1,250.00
	<b>12,856.14</b>	<b>1,256.14</b>
<b>16 Claims not acknowledged as debt</b>		
a. For Central Excise, Customs, Sales tax and Income Tax matters.	377.88	378.10
b. For Commercial disputes.	3.06	8.09
	<b>380.94</b>	<b>386.19</b>
<b>17 Sundry Debtors and Loans and Advances considered doubtful of recovery for which no provision has been made</b>	67.30	72.31
<b>18 Auditors Remuneration Covers:</b>		
For Statutory Audit & Tax Audit	4.19	2.47
For Taxation matters	1.00	1.00
For other reimbursement	0.35	0.26
	<b>5.54</b>	<b>3.73</b>
<b>19 Directors' Remuneration Covers</b>		
Salaries	52.12	46.61
Contribution to Provident Fund	4.05	3.75
Membership Fees	0.08	0.05
Sitting Fees	0.98	1.47
	<b>57.23</b>	<b>51.88</b>
<b>20 DEFERRED TAX LIABILITY (Net)</b>		
i) Deferred Tax Liability : Fixed Assets	73.61	83.38
ii) Deferred Tax Assets: Deferred Revenue Expenditure	(0.44)	(0.44)
Employees Retirement Benefits	(21.98)	(21.85)
<b>Total :</b>	<b>51.19</b>	<b>61.09</b>
<b>21 Earning Per Share (EPS) - The numerator and denominator used to calculate Basic and Diluted Earning Per Share:</b>		
Profit attributable to the equity shareholders (Rs.lacs)	1599.69	978.02
For Basic Earnings.		
Number of Equity Shares (Weighted Average)	24719215	24547389
For Diluted Earnings.		
Number of Diluted Equity Shares (Weighted Average)	25144736	0
Nominal Value of Equity Share	10	10
Earning Per Shares		
Basic	6.47	3.98
Diluted	6.36	3.98
<b>22 The Company's operations comprise of only one Segment - "Consumer Electronic goods / accessories" and therefore there are no other business / geographical segments to be reported as required under Accounting Standard (AS-17) "segment Reporting".</b>		



## **MVL Industries Limited**

- 23 In the opinion of Directors, the current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the value at which they are stated in the forgoing Balance Sheet unless otherwise stated.
- 24 Some of the Debit and Credit Balances of Sundry Debtors, Creditors, Loans, advances & deposits are subject to confirmation and consequential adjustments if any arising from reconciliation. The management however is of the view that there will be no material adjustments in this regard.
- 25 Sales Tax assessments have been finalised upto financial year 2006-07, however, assessment of some of the branches for the year 2006-07 are pending. Liability, if any, for the unassessed years remains unascertained
- 26 Previous year figures have been regrouped and rearranged, wherever necessary.
- 27 *Utilization of Preferential Allotment Proceed*  
The proceeds of preferential allotment of 681702 convertible warrants made during the year, were utilized towards the objects as specified.
- 28 *Micro and small scale business entities*  
There are no micro and small enterprises, to whom the company owes sums, which are outstanding for more than 45 days as at 30th June, 2010. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 which has been determined to the extent such parties have been identified on the basis of information available with the company.
- 29 Miscellaneous income includes dividend of Rs.67,47,633/-, previous year nil
- 30 Disclosure of Related Party Transactions in accordance with Accounting Standard (AS-18) "Related Party Disclosures".

### **(1) Relationship**

#### **(a) Related parties in which key managerial personnel or their relatives having significant influence**

MVL Telecom Ltd. (formerly Media Industries Ltd.)  
Balaji Tirupati Buildcon Ltd.  
Media Satellite & Telecoms Ltd.  
Media Magnetic Cassettes Ltd.  
MVL Credit Holdings & Leasing Ltd.  
MVL Solar Power Ltd.  
Anukool Films Pvt. Ltd.  
MVL Ltd.  
MVL Constructions Ltd.  
Media Holdings Pvt. Ltd.  
Prism Electronics

#### **(b) Key Managerial Personnel**

Mr. Prem Adip Rishi  
Mr. Rakesh Gupta  
Mr. Rajesh Galhotra

#### **(c) Relatives of key managerial personnel where transactions have taken place**

Prem Adip Rishi (HUF)  
Mr. Anukool Rishi  
Mr. Arjun Rishi  
Mrs. Anuradha Rishi

Note : Related party relationship is as identified by the Company and relied upon by the auditors.



## MVL Industries Limited

### (2) Transactions with related parties referred in 30(1) above, in ordinary course of business

						(Rs.in Lacs)
Nature of Transactions	30 (1) (a) above	Referred in 30 (1) (b) above	Referred in 30 (1) (c) above	Referred in Ended 30.06.10	For The Year Ended 30.06.09	For The Year
<b>Purchases</b>						
Goods & Materials		12495.39	-	-	12495.39	13176.84
<b>Sales</b>						
Goods & Materials		484.97	-	-	484.97	9888.67
<b>Expenses</b>						
Rent paid		1.20	-	6.60	7.80	7.80
Directors Remuneration		-	52.12	-	52.12	46.61
Directors sitting Fees		-	0.12	-	0.12	1.47
<b>Income</b>						
Rental Income		10.32	-	-	10.32	8.66
Interest Income		134.20	-	-	134.20	511.25
Proportionate expenses recovered		2.26	-	-	2.26	2.12
Amount towards share capital and premium received on conversion of Preferential Share Warrants		99.39	-	-	99.39	-
<b>Warrants Application Money Received</b>		150.51	-	33.93	184.44	-
<b>Guarantees</b>						
Corporate Guarantees given		12850.00	-	-	12850.00	1250.00
Corporate Guarantees availed		9850.00	-	-	9850.00	9850.00
3. a) Sundry debtors include debts due from Ltd. Companies under the same Management		130.22	-	-	130.22	1642.11
b) Loans & Advances include amounts due from firms/Private and closely held Ltd. Companies in which some of the directors are interested as director /partner/member		378.34	-	-	378.34	833.65
31 (a) Market Value of Quoted Mutual Fund 141,350 (Previous year 69845 ) Units of Rs.10/- each of PNB Principal Mutual Fund.					30.00	5.94
(b) Market Value of Quoted Investment in Equity Shares					21598.35	7840.00

32 As per the best estimate of the Management, no provision is required to be made as per the Accounting Standard 29 issued by the Institute of Chartered Accountants of India, in respect of any present obligation as a result of a past event that could lead to a probable outflow of resources, which would be required to settle the obligation.

33 Information pursuant to Paragraph 3 & 4 of Part II of Schedule VI of the Companies Act, 1956:

#### A. PARTICULARS OF LICENCED, INSTALLED CAPACITY AND ACTUAL PRODUCTION

		As on 30.06.2010	As on 30.06.2009
<b>I. Licenced Capacity</b>	<b>Unit</b>		
A. DVD/VCD Players }			
B. T.V.Games }	N.A	N.A	N.A
C. Plastic Articles }			
<b>II. Installed Capacity (P.A)</b>	<b>Assembly Lines</b>	<b>Assembly Lines</b>	
A. DVD/VCD Players }			
B. T.V.Games }			
C. Plastic Articles }			

Note : Licenced and installed capacity being technical matter is not verified by the Auditors

<b>III. Production</b>			
A. Plastic Articles	Pcs.	875000	475000
B. T.V.Games	Pcs.	33250	11750



			For the year ended 30.06.2010		For the year ended 30.06.2009
	Unit	Qty	Value	Qty	Value
<b>B. ANALYSIS OF MATERIAL PURCHASED</b>					
Electronic Items	Nos.	1106228	41,048.64	713527	34,178.49
Others	Assorted	-	-	-	-
		<b>1106228</b>	<b>41,048.64</b>	<b>713527</b>	<b>34,178.49</b>
<b>C ANALYSIS OF TURNOVER</b>					
Electronic Items	Nos.	1147881	43,749.48	685742	35,420.65
Others	Assorted	-	1.32	-	61.75
		<b>1147881</b>	<b>43,750.80</b>	<b>685742</b>	<b>35,482.40</b>
<b>D Particulars of Opening and Closing Stock of goods dealt with.</b>					
<b>I) Opening Stock</b>					
Electronic Items	Nos.	243533	4617.23	203998	2967.12
Others	Assorted	-	498.24	-	542.04
		<b>243533</b>	<b>5,115.47</b>	<b>203998</b>	<b>3,509.16</b>
<b>II) Closing stock</b>					
Electronic Items	Nos.	235130	4973.53	243533	4617.23
Others	Assorted	-	498.15	-	498.24
		<b>235130</b>	<b>5,471.68</b>	<b>243533</b>	<b>5,115.47</b>
<b>E CIF Value of Imports of Raw Materials, Components, Spares, Capital and Other Goods</b>					
Trading goods		-	23.18	-	6.31
<b>F Earning in Foreign Exchange</b>		-	NIL	-	NIL
<b>G Expenditure in foreign currency</b>					
For Travelling			0.14		3.15
<b>H Value of Raw Materials, Stores, Spares and Packing Materials Consumed.</b>		<b>VALUE</b>	<b>% AGE</b>	<b>VALUE</b>	<b>% AGE</b>
<b>I) Raw material</b>					
Imported		12.08	38.48%	7.28	60.51%
Indigenous		19.31	61.52%	4.75	39.49%
		<b>31.39</b>	<b>100.00%</b>	<b>12.03</b>	<b>100.00%</b>
<b>ii) Stores, spares and packing material Indigenous</b>		7.11	100.00%	3.14	100.00%
		<b>7.11</b>	<b>100.00%</b>	<b>3.14</b>	<b>100.00%</b>

Subject to our report of even date

**For Arun Kishore & Company**

Chartered Accountants

(FRN: 001898N)

Sd/-

**CA Arun Kishore**

Partner

Membership No. 10770

Place : New Delhi

Date : 28th August , 2010

**For and on behalf of the Board of Directors**

Sd/-

**Prem Adip Rishi**

Chairman & Managing Director

Sd/-

**Rajesh Galhotra**

Director

Sd/-

**Rakesh Gupta**

Whole Time Director

Sd/-

**Chetna Tyagi**

Company Secretary



# MVL Industries Limited

## Cash Flow Statement for the Year ended 30.06.2010

SL. NO.	PARTICULARS	For the year ended 30.06.2010 (Rs. in lacs)	For the year ended 30.06.2009 (Rs. in lacs)
A)	<b>Cash flow from Operating activities</b>		
	Net profit before taxation & extraordinary items	1,946.94	1,247.96
	Adjustment for		
	- Depreciation	57.51	51.14
	Revenue Exp./other claims written off	25.57	25.57
	Loss on sale of Fixed Assets	1.37	3.39
	Interest charges	2,080.54	1,610.02
	Lease rent	9.57	6.11
	Interest /other income received	(1,606.29)	(559.76)
	<b>Operating Profit before working capital changes</b>	<b>2,515.21</b>	<b>2,384.43</b>
	<b>Adjustment for (increase)/decrease in -</b>		
	Trade Receivables	(1,038.19)	(3,108.21)
	Other Receivables	(4,468.08)	(1,867.65)
	Inventories / Projects Work in Progress	(354.46)	(1,609.00)
	Trade payables and others	(513.83)	1,342.89
	<b>Cash generated from operations</b>	<b>(3,859.35)</b>	<b>(2,857.54)</b>
	Direct Taxes paid	18.83	(238.73)
	Cash Flow before extraordinary items	(3,840.52)	(3,096.27)
	Extraordinary items.	(27.16)	(11.36)
	<b>Net cash flow from Operative Activity</b>	<b>(3,867.68)</b>	<b>(3,107.63)</b>
B.	<b>Cash Flow from investing activities.</b>		
	Investments	(19.72)	-
	Purchase of property,plant,equipment & other long term assets	(146.49)	(89.54)
	Sale proceeds of property,plant,equipment & other long term asset	128.15	1.70
	Interest received & other Misc.Income	1,606.29	559.76
	Deferred Revenue Expenditure	-	-
	<b>Net Cash from investing activities.</b>	<b>1,568.23</b>	<b>471.92</b>
C.	<b>Cash Flow from Financing Activities</b>		
	Interest and similar charges paid	(2,080.54)	(1,610.02)
	Lease Rent Liabilities paid	(9.57)	(6.11)
	Increase in Share Capital/ Convertible Warrants/ Share Application	283.83	-
	Increase/(Decrease) in cash Credit Utilisation	4,141.67	4,397.56
	Net Cash from Financing Activities	2,335.39	2,781.43
	Net increase in cash and cash equivalents (A+B+C_)	35.94	145.72
	Cash and Bank Equivalent (opening balance)	155.40	9.68
	Cash and Bank Equivalent (closing balance)	191.34	155.40

### For and on behalf of the Board

Sd/- <b>Prem Adip Rishi</b> Chairman & Managing Director	Sd/- <b>Rakesh Gupta</b> Whole Time Director	Sd/- <b>Rajesh Galhotra</b> Director	Sd/- <b>Chetna Tyagi</b> Company Secretary
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### AUDITOR'S CERTIFICATE

We have examined the attached Cash Flow Statement of MVL Industries Limited for the year ended 30th June 2010. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreement with the Stock Exchanges and is based on and is agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our Report of 28th August 2010 to the members of the Company.

**For ARUN KISHORE & COMPANY**  
Chartered Accountants  
[FRN : 001898N]

Place : New Delhi.  
Date : 28th August, 2010

Sd/-  
**CA ARUN KISHORE**  
PARTNER  
MEMBERSHIP NO.10770





## MVL Industries Limited

### Balance Sheet Abstract and Company's General Business Profile

#### I. REGISTRATION DETAILS

CIN No.	L32109DL1986PLC026273
Balance Sheet date	30.06.2010

#### II. CAPITAL RAISED DURING THE YEAR

(Amount in Rs. Thousands)

Public issue	NIL
Right Issue	NIL
Bonus Issue	NIL
Private Placement	68.17

#### III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

Total liabilities	3070164
Total Assets	3070164

#### SOURCES OF FUNDS

Paid up Capital	252291
Reserves and Surplus	916619
Deferred Tax Liability	5119
Secured Loans	1249127
Unsecured loans	291953

#### APPLICATION OF FUNDS

Net Fixed Assets	75199
Investments	198867
Net Current Assets	2435011
Misc Expenditure	6031

#### IV. PERFORMANCE OF THE COMPANY

Turnover including other income	4535709
Total expenditure	4343731
Profit before tax	191978
Profit after tax	159969
Earnings per share Rs.	6.47
Dividend Rate (%)	

#### V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

(As per monetary terms)

a. Item Code No. (ITC No)		950410
Product description	T.V.Game Systems	
b. Item Code No. (ITC No)		852812
Product description	Colour T.V.	
c. Item Code No. (ITC No.)		852190
Product description	VCD/DVD Players	

For and on behalf of the Board of Directors

Sd/-  
Prem Adip Rishi  
Chairman & Managing Director

Sd/-  
Rakesh Gupta  
Whole Time Director

Sd/-  
Rajesh Galhotra  
Director

Sd/-  
Chetna Tyagi  
Company Secretary

Place : New Delhi  
Date : 28th August, 2010

## MVL INDUSTRIES LIMITED

Registered Office: Media House, B-86/1, Okhla Industrial Area, Phase – II, New Delhi – 110020

### ATTENDANCE SLIP 23rd ANNUAL GENERAL MEETING

DP Id. ....

Folio No. ....

Client ID .....

No. of Shares held .....

Member's Name .....

Complete Address .....

I hereby record my presence at the 23rd Annual General Meeting of the Company to be held on Wednesday, 22<sup>nd</sup> December 2010, at 12:30 P.M., at MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, New Delhi-110054.

.....  
**Member's Signature**

If proxy attends instead of Member:

**Proxy's Name** ..... **Proxy's Signature** .....

**Note:** Members/Proxy holders wishing to attend the meeting must bring their duly filled and signed Attendance Slip with them. **NO GIFT/COUPON WILL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING.**

## MVL INDUSTRIES LIMITED

Registered Office: Media House, B-86/1, Okhla Industrial Area, Phase – II, New Delhi – 110020

### PROXY FORM

I/We ..... R/o .....

being a member/members of MVL Industries Limited, hereby appoint Mr./Ms.....R/o

.....or failing him/her, Mr./Ms.....R/o

.....as my/our proxy in my/our absence to attend and to vote for me/us

on my/our behalf at the 23rd Annual General Meeting of the Company to be held on Wednesday, 22<sup>nd</sup> December 2010,

at 12:30 P.M., at MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, New Delhi-110054 and at any

adjournment thereof.

DP Id.....

Folio No. ....

Client ID .....

No. of Shares held .....

**Proxy's Name** .....

**Proxy's Signature** .....

**Signature of the Member** .....

Signed this .....day of .....2010

Affix  
Re. 1/-  
Revenue  
Stamp