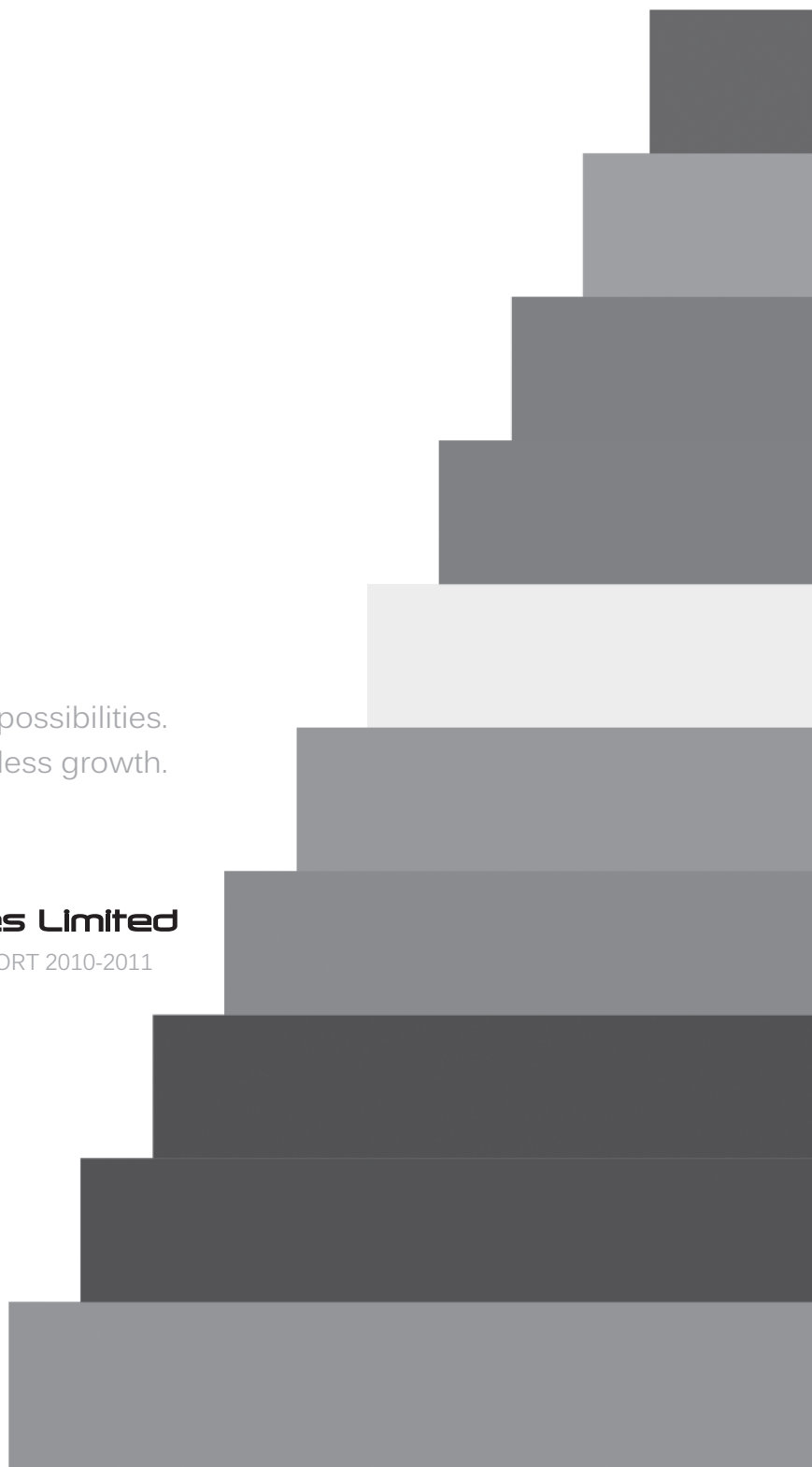




Limitless possibilities.  
Limitless growth.

**MVL Industries Limited**

24th ANNUAL REPORT 2010-2011



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## FROM THE CHAIRMAN'S DESK

Dear Friends,

It gives me great pleasure to address all of you through the Company's 24<sup>th</sup> Annual Report of 2010-11.

I am happy to share with you that the Company has emerged stronger, more professional and future ready.



**PREM ADIP RISHI**  
Chairman

### Industry Scenario

The Indian consumer electronics industry has been growing at a double-digit growth rate since past few years. Higher disposable income, increased product awareness, affordable pricing, and shift in lifestyles have together been instrumental in changing the amount and pattern of consumer spending; thereby, resulting in strong growth in the consumer electronics industry. But still, the consumer electronics goods, like refrigerators, televisions and air conditioners, have low penetration in the country, leaving vast room for future growth.

According to a research report, **"Booming Consumer Electronics Market in India"**, the Indian consumer electronics industry will grow at a CAGR of around 18% during 2011–2014.

Further, the market will witness a dramatic change in the competitive landscape over the next few years. A large number of companies will foray into the lucrative Indian consumer electronics market with their diversified product portfolio. This will lead the incumbent players to invest heavily in establishing their stores across different states of the country.

### Future aims and objectives

The Company aims to deliver products that combine aspirational features, credible quality, dependable after-sales service and great value for money in order to achieve highest level of customer delight while staying committed to accelerate growth as in the past and to achieve the best standards of Corporate Governance with emphasis on authority and freedom of management coupled with transparency, accountability and professionalism in their working with the aim of enhancing long term economic value of all the stakeholders and the society at large.

The Company believes that a team of inspired employees is the key for achieving greater heights in excellence by any organization and for that reason the Company gives utmost importance to its Human Resource Development. For the purpose, the Company continues to take various HR initiatives for employee motivation, nurturing talent, enhancing skills and building new leaders. I am sure you will agree that this is equally important as is putting up of new facilities.

### Acknowledgment

Finally, I take this opportunity to express my sincere thanks and profound gratitude to all the shareholders for their continued trust in the Board of Directors and the Management of the Company. Further on behalf of the Company, I would also like to thank all our Customers, Dealers, Suppliers, Bankers, Business Associates, employees and other stake holders for their invaluable support and co-operation in the year gone by and in the years to come.

Yours Sincerely

**Prem Adip Rishi**





## **MVL Industries Limited**

### **BOARD OF DIRECTORS**

Mr. Prem Adip Rishi	<b>Chairman &amp; Managing Director</b>
Mr. Rakesh Gupta	<b>Whole Time Director</b>
Mr. Suresh Kumar Varma	<b>Director</b>
Mr. Rajesh Galhotra	<b>Director</b>
Mr. Vijay Kumar Sood	<b>Director</b>
Mrs. Kalpana Gupta	<b>Director</b>

#### **Auditors**

M/s Arun Kishore & Co.  
Chartered Accountants, New Delhi

#### **Company Secretary**

Ms. 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 24<sup>th</sup> Annual General Meeting of the Members of MVL Industries Limited will be held on Tuesday, 20<sup>th</sup> December, 2011 at 12.30 P.M. at MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi-110054 to transact the following business as:

#### **Ordinary Business:**

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 30<sup>th</sup> June, 2011 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. Rajesh Galhotra who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Vijay Kumar Sood who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company and to fix their remuneration.

#### **Special Business:**

5. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution: -**

**"Resolved that** pursuant to the provisions of Section 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Members be and is hereby accorded to the appointment of Mr. Rakesh Gupta as Whole Time Director of the Company for a further period of five years with effect from 1<sup>st</sup> July, 2011 at the remuneration and on the terms and conditions detailed hereunder:

- i. Salary: Rs. 82,502/- (Rupees Eighty Two Thousand Five Hundred Two Only) per month (with suitable increases as may be determined from time to time within the limits prescribed in Schedule XIII ).
- ii. House Rent Allowance of Rs. 41,251/- (Rupees Forty One Thousand Two Hundred Fifty One Only) per month.
- iii. Conveyance Allowance of Rs. 13,750/- (Rupees Thirteen Thousand Seven Hundred Fifty Only).
- iv. Medical Allowance of Rs. 23,101/- (Rupees Twenty Three Thousand One Hundred One Only).
- v. City Compensatory Allowance of Rs. 8,250/- (Rupees Eight Thousand Two Hundred Fifty Only) per month.
- vi. Provision of company's car with driver.
- vii. Any other benefits, facilities or perquisites as may be allowed to other employees under Company's Rules.

**Resolved further that** in the event of any statutory amendment, notification or relaxation by the Central Government or in the case of periodical salary appraisal / increment, the Board of Directors be and is hereby authorized to vary or increase the remuneration including salary, commission, perquisites, allowances etc within such prescribed limit or ceiling without any further reference to the members of the Company in General Meeting.

**Resolved further that** Mr. Prem Adip Rishi, Chairman & Managing Director of the Company and Mr. Rajesh Galhotra, Director of the Company be and are hereby severally authorized to sign and execute the necessary papers, deeds, returns and other documents to be filed with the office of the Registrar of Companies, NCT of Delhi & Haryana and to do any act, deed, thing, matter connected with the aforesaid matter or any other matter incidental or ancillary thereto."

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

**Place: New Delhi  
Date : 14<sup>th</sup> November, 2011**

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





## **MVL Industries Limited**

### **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 **17th December, 2011 to 20th December, 2011 (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. Rajesh Galhotra and Mr. Vijay Kumar Sood are retiring by rotation at the ensuing Annual General Meeting of the Company. Further, Mr. Rakesh Gupta was re-appointed as Whole Time Director on 01.07.2011, consent of shareholders of his appointment shall be taken in Annual General Meeting. 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.

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### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

#### **ITEM NO. 5**

Mr. Rakesh Gupta was re-appointed as Whole Time Director of the Company for a period of 3 years with effect from 1<sup>st</sup> July, 2008. The said appointment was expired on 30<sup>th</sup> June, 2011. However, subject to approval of shareholders, the Board of Directors in their meeting held on 11<sup>th</sup> October, 2011, re-appointed Mr. Rakesh Gupta for further period of 5 years starting from 1<sup>st</sup> July, 2011.

Mr. Rakesh Gupta, aged 47 years is a Fellow member of The Institute of Chartered Accountants of India. He has over 26 years of vast experience in finance, accounts, taxation and commercial matters. He is responsible for all financial, banking, accounting, taxation and day to day commercial operations of the Company. In view of such a varied experience possessed by Mr. Rakesh Gupta, the Board of Directors feels his re-appointment as expedient and prudent and accordingly recommends for approval by the shareholders of the Company.

None of the Directors except Mr. Rakesh Gupta are in anyway concerned with or interested in the resolution.

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

**Place: New Delhi  
Date : 14<sup>th</sup> November, 2011**

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





# MVL Industries Limited

## DIRECTORS' REPORT

### To the Members

Your Directors have immense pleasure in presenting the 24th Annual Report and Audited Statement of Accounts for the year ended 30th June, 2011.

### 1. FINANCIAL RESULTS

(Rs. in lacs)		
Particulars	Year ended 30.06.2011	Year ended 30.06.2010
Sales & Other Income	48759.17	45357.09
Profit Before Tax	1976.96	1920.00
Provision for Taxation		
• Current Tax	302.00	330.00
• Deferred Tax	(21.88)	(9.91)
Profit After Tax	1696.84	1599.69
Surplus brought forward	6596.70	5097.02
Profit available for appropriation	8293.54	6696.70
Transfer to General Reserve	100.00	100.00
Balance Carried Forward	8193.54	6596.70

### 2. FINANCIAL / OPERATION PERFORMANCE REVIEW

During the year under review, the Company recorded a turnover of Rs. 473.04 Cr. as compared to Rs. 437.51 Cr. during the previous year, thus recording a growth of around 8.12% over that of last year. Further, the Company has earned a Profit before Tax of Rs.19.77 Cr. as against Rs.19.20 Cr. last year. The Profit after Tax increased to Rs. 16.97 Cr. from Rs. 16.00 Cr. last year.

### 3. DIVIDEND

Keeping in view the future growth plans of the Company and therefore 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

During the year under review, 11,00,000 Equity Shares of Rs. 10/- each issued to promoter group on preferential basis, got listed in NSE & BSE.

### 5. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Rajesh Galhotra and Mr. Vijay Kumar Sood, 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, Mr. Rakesh Gupta has been re-appointed as Whole Time Director of Company by Board for a further period of 5 years w.e.f. 01.07.2011.



## **MVL Industries Limited**

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:

- a) That in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b) 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 30th June, 2011 and the Profit of the Company for that period;
- c) 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;
- d) 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 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 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 public within the meaning of the Companies (Acceptance of Deposits) Rules, 1975, during the last financial year.

### **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 re-appointed. They have furnished a certificate stating that their re-appointment would be within the limits specified under section 224(1B) 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 30th June 2011 and notes thereon are attached, which are self-explanatory except their remark regarding unconfirmed balances and not providing provision of doubtful debt, to which the board provides the following explanation:

- (i) Unconfirmed balances 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;







## **MVL Industries Limited**

- (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 does not form part of this Report, as no employee of your Company is covered as per provisions contained therein.

### **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**

Disclosures of particulars with respect to conservation of energy and technology absorption are not applicable to the Company.

### **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. 6.06 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 : 14<sup>th</sup> November, 2011**

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





## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

The Indian consumer electronics industry has been growing at a double-digit growth rate since past few years. Higher disposable income, increased product awareness, affordable pricing, and shift in lifestyles have together been instrumental in changing the amount and pattern of consumer spending; thereby, resulting in strong growth in the consumer electronics industry. But still, the consumer electronics goods, like refrigerators, televisions and air conditioners, have low penetration in the country, leaving vast room for future growth. India's consumer market is riding the crest of the country's economic boom. Driven by a young population with access to disposable incomes and easy finance options, the consumer market has been throwing up staggering figures. The Indian durable market, with a market size of US\$ 27.38 billion in 2009-10, has grown by 7.1% over the previous year.

Household income in the top 20 boom cities in India is projected to grow at 10% annually over the next eight years, which is likely to increase consumer spending on durables. With the emergence of concepts such as quick and easy loan, zero equated monthly installment (EMI) charges, loan through credit card, loan over phone, double-income families, fall in prices due to increased competition, government support, growth of media, availability of disposable incomes, improvements in technology, reduction in customs duty, rise in temperatures, growth in consumer base of rural sector, the consumer durables industry is growing at a fast pace. Given these factors, a good growth is projected in the future, too.

### 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" and "MVL" Brand in general masses.

#### Weaknesses

- Dependence on Supplier of Products.
- Low margins 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.
- Availability of financing Scheme.
- Electrification in rural India and increasing aspirations of people in rural India.





## **MVL Industries Limited**

### **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 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**

**Place : New Delhi  
Date : 14<sup>th</sup> November, 2011**

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





## 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 the 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 one Executive Director and 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 committees or acts as Chairman of more than 5 committees across all companies in which he is a Director.

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

Name of the Directors	Designation	Category (Independent/Non-executive/Executive)	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	9	—	3
Mr. Rakesh Gupta	Executive Director	Executive Director	4	2	2
Mr. Rajesh Galhotra	Director	Non-Executive Director	3	—	—
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	6	—	—

\* 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).



## MVL Industries Limited

### 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 22-12- 2010
Mr. Prem Adip Rishi	24	24	Yes
Mr. Rakesh Gupta	24	24	Yes
Mr. Rajesh Galhotra	24	24	Yes
Mr. Suresh Kumar Varma	24	20	Yes
Mr. Vijay Kumar Sood	24	24	Yes
Mrs. Kalpana Gupta	24	22	Yes

### iii) No. of Board Meetings held

As per 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 24 (Twenty Four) Board Meetings were held on various dates as per details given below:

06.07.2010	18.08.2010	30.08.2010	07.09.2010	25.09.2010
27.09.2010	04.10.2010	06.10.2010	18.10.2010	15.11.2010
16.11.2010	14.12.2010	03.01.2011	05.01.2011	14.02.2011
22.02.2011	11.03.2011	31.03.2011	04.04.2011	14.05.2011
13.06.2011	15.06.2011	21.06.2011	28.06.2011	

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

- Mr. Rajesh Galhotra**, aged 53 years is an I.S.C. and he has to his credit over 20 years of experience in various fields of accounts, internal audit and general administration.
- Mr. Vijay Kumar Sood**, aged 66 years is holding B.E. (Telecommunications) degree from B.I.T.S., Pilani. He was formerly the fellow of the Institute of Electronics and Telecommunication and was also a senior Cambridge from St. Georges College, Mussorrie. He has to his credit over 32 years of vast experience in various companies.
- Mr. Rakesh Gupta**, aged 47 years is a fellow member of the Institute of Chartered Accountants of India. He has over 26 years of vast experience in finance, taxation and commercial matters. He is responsible for all financial, banking, accounting, taxation and day to day commercial operations of the Company.

### 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 30.06.2011.

### 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 was 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 three members out of which two are non-executive and independent directors viz. Mr. Suresh Kumar Varma (Chairman), Mrs. Kalpana Gupta and one is Non-executive Director Mr. Rajesh Galhotra. The Company Secretary of the Company is the Secretary of the Committee. The constitution of the Audit Committee meets with the requirements under Section 292A of the Companies Act, 1956.

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 30.08.2010, 13.11.2010, 14.02.2011 and 14.05.2011.

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 three non-executive and independent directors viz. Mr. Suresh Kumar Varma (Chairman), Mr. Rajesh Galhotra, Mrs. Kalpana Gupta and Company Secretary of the Company is the Secretary of the Committee.

During the year one meeting of remuneration committee was held on 01/07/2011 to discuss the remuneration of Mr. Rakesh Gupta, Whole Time Director of the Company whose term as Whole Time Director expired on 30/06/2011. He was appointed for another period of 5 years as Whole Time Director w.e.f. 01/07/2011. The meeting was attended by all the members of committee.

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

Name of Director	*Gross Remuneration (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Mr. Rakesh Gupta	20,26,248/-	-	20,26,248/-

\*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. 30.06.2011, there was no case of pending request for transfer or dematerialization beyond the stipulated time.



## MVL Industries Limited

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. Company Secretary of the Company is the Secretary of the Committee.

The Committee met four times during current year on 30.09.2010, 31.12.2010, 31.03.2011 and 30.06.2011, 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
2009-2010	22.12.2010	12.30 P.M	MPCU Shah Auditorium, Shree Delhi Gujrati Marg, Civil Lines, Delhi-110054.	NIL
2008-2009	29.12.2009	11.30 A.M	MPCU Shah Auditorium, Shree Delhi Gujrati 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 Company from Media Video Limited to MVL Industries Limited u/s 21 and 31

#### 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



## **MVL Industries Limited**

### **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 The Financial Express and in Hindi language in Jansatta.

### **7. General Shareholders' Information**

#### **(a) Annual General Meeting**

**Date** 20<sup>th</sup> December, 2011  
**Day** Tuesday  
**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 2011 to 30<sup>th</sup> June, 2012**

##### **Results for the Quarter ending**

30th September 2011	Second week of November, 2011
31st December 2011	Second week of February, 2012
31st March 2012	Second week of May, 2012
30th June 2012	Last week of August, 2012
Annual General meeting for the year ending 30th June, 2012.	Last week of December, 2012





## MVL Industries Limited

(c) **Book Closure Date:** 17th December, 2011 to 20th December, 2011 (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 2011-12

(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 2010	27.40	21.55	27.70	21.90
August 2010	29.70	22.55	29.50	23.10
September 2010	35.25	25.30	35.40	25.60
October 2010	32.10	25.50	31.45	25.15
November 2010	30.00	21.00	30.45	21.65
December 2010	24.50	18.10	24.00	18.30
January 2011	23.50	18.15	23.30	18.25
February 2011	20.80	14.25	21.70	14.35
March 2011	19.70	14.15	19.85	14.60
April 2011	22.25	17.40	20.80	17.50
May 2011	19.80	15.00	21.45	14.70
June 2011	18.45	13.55	20.85	14.70

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

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

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

(a). **Shareholding Distribution Schedule as on 30/06/2011**

No. of Shares	No. of Shareholders		No. of Equity Shares	
	Total	% of total	Total	% of total
1 - 5000	11,474	91.63	12,28,615	4.67
5001 - 10000	589	4.70	4,27,291	1.62
10001 - 20000	236	1.89	3,39,978	1.29
20001 - 30000	79	0.63	2,02,019	0.77
30001 - 40000	24	0.19	84,216	0.32
40001 - 50000	18	0.14	80,217	0.30
50001 - 100000	41	0.33	2,83,376	1.08
100000 and above	61	0.49	2,36,83,379	89.95
<b>TOTAL</b>	<b>12,522</b>	<b>100.00</b>	<b>2,63,29,091</b>	<b>100.00</b>



## MVL Industries Limited

### (b). Shareholding Pattern as on 30/06/2011

Category	No. of shares	% of Shareholding
<b>(A) Promoter Holding</b>		
Promoters	12549622	47.67
<b>Sub Total (A)</b>	<b>12549622</b>	<b>47.67</b>
<b>(B) Institution</b>		
(a) Mutual Funds/ UTI	7320	0.03
(b) Financial Institutions/ Banks	1080	0.00
<b>Sub Total (B)</b>	<b>8400</b>	<b>0.03</b>
<b>(C) Non-Institution</b>		
(a) Bodies Corporate	10117015	38.43
(b) Indian Public	3598474	13.67
(c) Clearing Member	3979	0.01
(d) Any Other (NRIs/ OCBs)	51601	0.19
<b>Sub Total( C)</b>	<b>13771069</b>	<b>52.30</b>
<b>Grand Total ( A+B+C)</b>	<b>26329091</b>	<b>100.00</b>

### (j) Shares Transfer System

The shares of the company are tradable compulsorily in 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 30th June, 2011, 2,59,50,525 Equity Shares constituting 98.6% 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.

In pursuance of approval of the shareholders at the EGM held on 25/06/2009, 26,00,000 Convertible Warrants were allotted on 07/08/2009 to Promoter (s)/ Promoter(s) Group Companies on preferential basis @ Rs. 14.58 per warrant aggregating to Rs. 3,79,08,000/-. Out of these 6,81,702 Convertible Warrants got converted into equity shares on 31.03.2010 and 11,00,000 Convertible Warrants got converted into equity shares on 03.01.2011 and the balance shares got forfeited.

### (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, Jhandewala Extension,  
New Delhi-110055  
Ph: 42541234, 23541234  
Fax: 91-11-42541967  
E-mail: info@alankit.com



## **MVL Industries Limited**

**(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 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 30th June, 2011. The declaration signed by Mr. Prem Adip Rishi, Chairman & Managing Director is given hereunder: -

**Declaration under Clause 49 (I) (D) of 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**

**Place: New Delhi  
Date : 14th November, 2011**

**Sd/-  
Prem Adip Rishi  
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, 2011 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.

Sd/-  
(Prem Adip Rishi)  
Managing Director

Sd/-  
(Rakesh Gupta)  
Executive Director

Place : New Delhi

Date : 14<sup>th</sup> November, 2011

### **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, 2011, 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.

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

Place: New Delhi

Date : 14<sup>th</sup> November, 2011



## **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 2011 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, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on June 30, 2011 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' – 25 of Schedule 'R' regarding some of the unconfirmed balances of Sundry Debtors, Creditors, Loans, advances and deposits and Note No. 'B' 18 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 30th June, 2011 ,
    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 : 001898N)

Sd/-

**CA ARUN KISHORE**

**PARTNER**

[Membership No. 10770]

Place: New Delhi  
Date: 30<sup>th</sup> August' 2011.





## **MVL Industries Limited**

**Reg. MVL INDUSTRIES LIMITED YEAR ENDED 30.06.2011**

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

- I) In respect of Fixed Assets
- The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets;
  - During the year as informed to us, no discrepancy was noticed on physical verification of fixed assets;
  - During the year the company has not disposed off substantial part of fixed asset.
- II) In respect of Inventories
- According to the information given to us the management has conducted physical verification of stocks, at reasonable intervals during the year;
  - 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;
  - 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 :
- The Company has granted inter corporate loan to a party .At the year end, the outstanding balance of such loan was Rs. 585.23 Lacs and the maximum amount involved during the year was Rs.883.65 Lacs.
  - 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.
  - In respect of the loan given by the Company, the same is repayable on demand and therefore there is no overdue amount.
  - 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.
  - Since the company has not taken any loans, secured or unsecured provisions of clause 4 (iii) (e), (f) & (g) of the 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 in some cases*;
- b) According to the information and explanations given to us no undisputed amount payable in respect of aforesaid dues where outstanding as at 30th June 2011 for a period of more than 6 months from the date they become payable, *except Income-Tax dues of Rs. 39.70 Lacs (Rupees Thirty Nine lacs Seventy Thousand)*;



## MVL Industries Limited

- c) According to the records of the Company, following disputed statutory dues aggregating to Rs. 438.51 Lacs (Rupees Four Hundred Thirty Eight Lacs Fifty One Thousand) 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 2002-2003 to 2005-2006	210.60	ITAT, New Delhi
5.	Delhi Vat Act	VAT for 2005-2006	152.48	Tribunal Vat, New Delhi
6.	Income Tax	Asstt. Year 2008-2009	60.63	CIT (Appeals) New Delhi
		<b>Total</b>	<b>438.51</b>	

- X) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding two financial years.
- 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 record of transactions 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 explanations given to us, the Company has, prima-facie, applied the term loans availed, for the purposes for which these were 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 : 001898N)**

**Sd/-**  
**CA ARUN KISHORE**  
**PARTNER**  
**[Membership No. 10770]**

**Place: New Delhi**  
**Date: 30th August 2011**



# MVL Industries Limited

## Balance Sheet as at 30th June, 2011

PARTICULARS	SCHEDULE	AS AT 30/06/2011 (Amount in Rs.)	AS AT 30/06/2010 (Amount in Rs.)
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	'A'	263,290,910	252,290,910
Convertible Warrants Application		-	18,444,384
Reserves and Surplus	'B'	1,103,272,096	916,619,259
		1,366,563,006	1,187,354,553
<b>LOAN FUNDS</b>			
Secured Loans	'C- 1'	1,242,731,949	1,249,126,531
Unsecured Loans	'C- 2'	201,280,886	273,508,313
		1,444,012,835	1,522,634,844
Deferred Tax Liability		2,930,840	5,118,575
<b>TOTAL</b>		<b>2,813,506,681</b>	<b>2,715,107,972</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>	'D'		
Gross Block		182,025,696	185,350,223
Less: Depreciation		127,033,401	123,632,403
		54,992,295	61,717,820
Add : Capital Work in Progress		41,723,825	13,481,019
Net Block		96,716,120	75,198,839
Investments	'E'	224,727,417	198,867,124
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
A. Current Assets	'F'		
Stocks		542,928,541	548,722,663
Debtors		1,492,373,001	1,305,553,654
Cash & Bank Balances		74,958,556	73,981,789
		2,110,260,098	1,928,258,106
B. Loans & Advances	'G'	842,164,864	861,808,976
		2,952,424,962	2,790,067,082
Less: Current Liabilities & Provisions			
A. Current Liabilities	'H-1'	358,440,561	270,299,400
B. Provisions	'H-2'	105,395,823	84,757,107
		463,836,384	355,056,507
<b>NET CURRENT ASSETS</b>		2,488,588,578	2,435,010,575
Miscellaneous Expenditure (To the Extent not written off or adjusted)	'I'	3,474,566	6,031,434
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES</b>	'R'		
		<b>2,813,506,681</b>	<b>2,715,107,972</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 : 30<sup>th</sup> August, 2011

For and on behalf of the Board

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

Sd/-  
(Rakesh Gupta)  
Whole Time Director

Sd/-  
(Rajesh Galhotra)  
Director

Sd/-  
(Chetna Tyagi)  
Company Secretary





## MVL Industries Limited

### Profit & Loss Account for the year ended 30th June, 2011

PARTICULARS	SCHEDULE NO.	CURRENT YEAR ENDED 30/06/2011 (Amount in Rs.)	PREVIOUS YEAR ENDED 30/06/2010 (Amount in Rs.)
<b>INCOME</b>			
Sales		4,730,459,271	4,375,080,073
Increase / (Decrease) in Stocks		(5,501,532)	35,621,439
Miscellaneous Income	'J'	145,457,521	160,629,259
		<b>4,870,415,260</b>	<b>4,571,330,771</b>
<b>EXPENDITURE</b>			
Raw Material Consumed	'K'	2,035,900	3,139,031
Goods Purchased		4,321,483,487	4,104,863,597
Direct Overheads	'L'	4,135,187	3,753,429
Administrative Expenses	"M"	24,763,103	23,972,825
Staff Cost	'N'	24,078,105	19,346,567
Selling & Distribution Expenses	'O'	5,842,769	6,799,010
Financial Expenses	'P'	282,395,791	209,011,823
Depreciation	'D'	6,044,766	5,750,711
<b>TOTAL EXPENDITURE</b>		<b>4,670,779,108</b>	<b>4,376,636,993</b>
Profit		199,636,152	194,693,778
Less : Prior Period Adjustments	'Q'	1,939,833	2,716,173
<b>PROFIT BEFORE TAX</b>		197,696,319	191,977,605
Provision for Income Tax		30,200,000	33,000,000
Provision for Deferred Tax (Dr)/Cr		(2,187,735)	(990,964)
<b>PROFIT AFTER TAX</b>		169,684,054	159,968,569
Balance Brought Forward		659,670,434	509,701,865
Amount Available For Appropriation		<b>829,354,488</b>	<b>669,670,434</b>
<b>APPROPRIATIONS</b>			
Transfer to General Reserve		10,000,000	10,000,000
Balance Carried Forward to Balance Sheet		819,354,488	659,670,434
		<b>829,354,488</b>	<b>669,670,434</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 : 30<sup>th</sup> August, 2011

For and on behalf of the Board

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

Sd/-  
**(Rakesh Gupta)**  
Whole Time Director

Sd/-  
**(Rajesh Galhotra)**  
Director

Sd/-  
**(Chetna Tyagi)**  
Company Secretary



# MVL Industries Limited

## Schedules Annexed to and Forming Part of the Balance Sheet

PARTICULARS	AS AT 30th June 2011 (Amount in Rs.)	AS AT 30th June 2010 (Amount in 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>		
2,63,29,091 ( Previous year 2,52,29,091) Equity Shares of Rs.10/- each fully paid up .( <b>Refer Note No.B-13 ( a ) of schedule "R"</b> )	263,290,910	252,290,910
Notes: 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>263,290,910</b>	<b>252,290,910</b>
<b>SCHEDULE 'B'</b>		
<b>RESERVES &amp; SURPLUS</b>		
(a) General Reserve	154,869,248	144,869,248
Add: Provision made during the year	10,000,000	10,000,000
Add: Warrant application money forfeited	11,930,784	-
( <b>Refer Note No. B-13 ( b ) of schedule "R"</b> )	176,800,032	154,869,248
(b) Share Premium account (opening Balance)	102,079,577	98,957,381
Addition during the year	5,038,000	3,122,196
( <b>Refer Note No. B-13 ( a ) of schedule "R"</b> )		
	107,117,577	102,079,577
(c) Balance of Profit & Loss A/c	819,354,487	659,670,434
	<b>1,103,272,096</b>	<b>916,619,259</b>
<b>SCHEDULE 'C- 1'</b>		
<b>SECURED LOANS</b>		
<b>WORKING CAPITAL LIMITS</b>		
<b>from Banks</b>		
[Above loans are secured against hypothecation of stocks,debts, other movable and immovable assets present or future and personal Guarantee of the Managing Director]	932,294,306	1,162,962,989
<b>OTHERS TERM LOANS</b>		
<b>from Banks and Institutions</b>		
[ Secured against hypotheciation of vehicles/equipments or residual charge on current assets and/or against third parties guarantee & securities ]	310,437,643	146,163,542
<b>SCHEDULE 'C- 2'</b>		
<b>UNSECURED LOANS</b>		
Term Loans from Banks	201,280,886	213,508,313
	<b>1,444,012,835</b>	<b>1,522,634,844</b>



# MVL Industries Limited

## Schedules Annexed to and Forming Part of the Balance Sheet

### SCHEDULE 'D'

#### FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as on 01.07.2010	Additions	Sales/ Trf.	Cost as on 30.06.2011	Total up to 01.07.2010	Adj. for Sales/Trf.	Current Year 30-06-2011	Total up to 30-06-2011	As on 30.06.2011	As on 30.06.2010
Land	10,622,159	-	-	10,622,159	-	-	-	-	10,622,159	10,622,159
Building	40,712,001	-	-	40,712,001	18,568,241	-	1,359,781	19,928,022	20,783,979	22,143,760
Tubewell	269,190	-	-	269,190	134,749	-	8,991	143,740	125,450	134,441
<b>Total (a)</b>	<b>51,603,350</b>	<b>-</b>	<b>-</b>	<b>51,603,350</b>	<b>18,702,990</b>	<b>-</b>	<b>1,368,772</b>	<b>20,071,762</b>	<b>31,531,588</b>	<b>32,900,360</b>
Plant & Machinery	24,583,388	-	-	24,583,388	17,977,477	-	1,147,931	19,125,408	5,457,980	6,605,911
Dies & Moulds	27,680,774	-	-	27,680,774	27,081,002	-	191,370	27,272,372	408,402	599,772
Testing Equipment	1,320,529	-	-	1,320,529	1,039,501	-	59,627	1,099,128	221,401	281,028
Office Equipment	43,727,652	278,653	-	44,006,305	42,500,468	-	176,712	42,677,180	1,329,125	1,227,184
Vehicles	29,897,240	42,367	3,677,637	26,261,970	11,199,288	2,643,770	2,837,875	11,393,393	14,868,577	18,697,952
Electrical Installation	4,425,861	-	-	4,425,861	3,098,197	-	196,937	3,295,134	1,130,727	1,327,664
<b>Total (b)</b>	<b>131,635,444</b>	<b>321,020</b>	<b>3,677,637</b>	<b>128,278,827</b>	<b>102,895,933</b>	<b>2,643,770</b>	<b>4,610,452</b>	<b>104,862,615</b>	<b>23,416,212</b>	<b>28,739,511</b>
Furniture & Fixture	2,111,429	32,090	-	2,143,519	2,033,480	-	65,542	2,099,022	44,495	77,947
<b>Total (c)</b>	<b>2,111,429</b>	<b>32,090</b>	<b>-</b>	<b>2,143,519</b>	<b>2,033,480</b>	<b>-</b>	<b>65,542</b>	<b>2,099,022</b>	<b>44,495</b>	<b>77,947</b>
<b>Total (a) + (b) + (c)</b>	<b>185,350,223</b>	<b>353,110</b>	<b>3,677,637</b>	<b>182,025,696</b>	<b>123,632,403</b>	<b>2,643,770</b>	<b>6,044,765</b>	<b>127,033,398</b>	<b>54,992,295</b>	<b>61,717,820</b>
<b>Balance as on 30-06-2010</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>55,912,477</b>
<b>Capital Work in Progress</b>										
Building IMT Maneser(U/I)	11,223,552	28,242,806	-	39,466,358	-	-	-	-	39,466,358	11,223,552
Computer (U/I)	1,028,283	-	-	1,028,283	-	-	-	-	1,028,283	1,028,283
Plant & Machinery (U/I)	1,229,184	-	-	1,229,184	-	-	-	-	1,229,184	1,229,184
<b>Total</b>	<b>13,481,019</b>	<b>28,242,806</b>	<b>-</b>	<b>41,723,825</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,723,825</b>	<b>13,481,019</b>
<b>Balance as on 30-06-2010</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>Grand Total : 30.06.2011</b>	<b>198,831,242</b>	<b>28,595,916</b>	<b>3,677,637</b>	<b>223,749,521</b>	<b>123,632,403</b>	<b>2,643,770</b>	<b>6,044,765</b>	<b>127,033,398</b>	<b>96,716,120</b>	<b>75,198,839</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>79,252,289</b>

PARTICULARS	AS AT 30th June 2011 (Amount in Rs.)	AS AT 30th June 2010 (Amount in Rs.)
<b>SCHEDULE 'E'</b>		
<b>INVESTMENTS</b>		
<b>Equity Shares (Long Term) (Unquoted at Cost)</b>		
(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>
<b>Equity Shares (Long Term) (Quoted at Cost)</b>		
(d) 61,365,479 Equity Shares of Rs.1/- each (Previous year 32,476,326 Eq.Shares of Rs.2/- each ) of MVL Ltd. ( Out of the above 5,52,88,056 Equity shares of Rs.1/- each are pledged for against loan availed by an associate company.)	128,701,753	134,926,753
(e) Nil Equity Shares of Rs.10/- each of OCL Iron and Steel Ltd. ( Previous Year 180910 Eq.Shares )	-	6,233,592
(f ) 50,000 Equity Shares of Rs.10/- each of Burnpur Cement Ltd.	1,503,371	1,503,371
(g) 4,479 Equity Shares of Rs.10/- each (Previous year 12146 Eq.Shares) of Everest Industries Ltd.	985,173	2,708,408
(h) 81,000 Equity Shares of Rs.10/- each of Amtek Auto Ltd.	13,833,602	-
(i) 3,04,208 Equity Shares of Rs.10/- each of Amtek India Ltd.	26,208,518	-
	<b>171,232,417</b>	<b>145,372,124</b>



# MVL Industries Limited

## Schedules Annexed to and Forming Part of the Balance Sheet

PARTICULARS	AS AT 30th June 2011 (Amount in Rs.)	AS AT 30th June 2010 (Amount in Rs.)
<b>Government Securities (Long Term)</b>		
National Saving Certificates\ Kissan Vikas Patra		
(Pledged with Sales Tax Authorities)	27,000	27,000
PRINCIPAL MUTUAL FUND(Long Term)(Quoted)	2,720,000	2,720,000
104828 (Previous year 141350) units of Rs 10/- each (Quoted - at cost)		
	<b>2,747,000</b>	<b>2,747,000</b>
	<b>224,727,417</b>	<b>198,867,124</b>
<b>Market Value of quoted securities</b>		
Shares	1,580,525,034	2,159,834,563
Mutual Funds	2,845,000	3,000,864
<b>SCHEDULE 'F'</b>		
<b>CURRENT ASSETS</b>		
<b>A. Stock</b>		
Raw Material	701,788	1,046,313
Finished Goods	541,666,433	547,167,965
Packing Material, Stores & Spares	560,320	508,385
	<b>542,928,541</b>	<b>548,722,663</b>
<b>B. Sundry Debtors ( Unsecured)</b>		
(considered good unless otherwise specified)		
Due for over six months	1,820,310	1,615,500
Due for less than six Months	1,490,552,691	1,303,938,154
	<b>1,492,373,001</b>	<b>1,305,553,654</b>
<b>C. Cash &amp; Bank Balances</b>		
Cash and Imprest balances	1,506,878	7,435,472
Balances with Scheduled Banks ( in current a/c)	3,873,040	11,699,244
FDR's/Margin Money with Schdeuled Banks (pledged)	69,578,638	54,847,073
	<b>74,958,556</b>	<b>73,981,789</b>
<b>SCHEDULE 'G'</b>		
<b>LOANS &amp; ADVANCES</b>		
(Unsecured considered good unless otherwise specified)		
Security Deposits	503,997	764,014
Advances against 'Purchases & Expenses	681,693,689	793,250,162
Other advances recoverable in Cash or in kind		
or for Value to be received	158,762,253	65,143,340
Interest Accrued	1,204,925	2,651,460
	<b>842,164,864</b>	<b>861,808,976</b>
<b>SCHEDULE 'H-1'</b>		
<b>CURRENT LIABILITIES</b>		
<b>SUNDRY CREDITORS</b>		
For Goods Supplied	322,414,070	261,052,041
For Expenses & Others	35,586,619	9,100,369
For Advances From Customers	439,872	146,990
	<b>358,440,561</b>	<b>270,299,400</b>
<b>SCHEDULE 'H-2'</b>		
<b>PROVISIONS</b>		
Provision for Income Tax	94,739,428	77,629,035
Provision for Fringe Benefit Tax	425,000	510,000
Provision for Gratuity	10,231,395	6,618,072
	<b>105,395,823</b>	<b>84,757,107</b>
<b>SCHEDULE 'I'</b>		
<b>MISCELLANEOUS EXPENDITURE</b>		
Deffered Revenue Expenses	3,474,566	6,031,434
	<b>3,474,566</b>	<b>6,031,434</b>



# MVL Industries Limited

## Schedules Annexed to and Forming Part of the Profit & Loss Account

PARTICULARS	Current Year Ended 30th June 2011 (Amount in Rs.)	Previous Year Ended 30th June 2010 (Amount in Rs.)
<b>SCHEDULE 'J'</b>		
<b>MISCELLANEOUS INCOME</b>		
Interest Income	13,302,055	16,644,553
Miscellaneous Income	8,685,933	7,857,724
Gain on Sale of Shares	123,469,533	136,126,982
	<b>145,457,521</b>	<b>160,629,259</b>
<b>SCHEDULE 'K'</b>		
<b>RAW MATERIAL CONSUMED</b>		
Opening Stock	1,046,313	1,587,221
Add: Purchase ( Indigenous )	1,025,187	717,652
Add: Purchase ( Imported )	889,827	2,026,834
	<b>2,961,327</b>	<b>4,331,707</b>
Less: Cenvat Credit	223,639	146,363
	<b>2,737,688</b>	<b>4,185,344</b>
Less: Closing Stock	701,788	1,046,313
<b>NET - RAW MATERIAL CONSUMED*</b>	<b>2,035,900</b>	<b>3,139,031</b>
*Includes Rs.5.50 lacs (Previous Year Rs. 2.45 lacs) towards the fall in the value of non moving/unsaleble stocks.		
<b>SCHEDULE 'L'</b>		
<b>DIRECT OVER HEADS</b>		
Carriage Inward	528,831	292,073
Repair & Maintenance	271,564	85,694
Excise Duty Paid	677,590	864,165
Power & Fuel	1,776,075	1,800,116
Packing & Stores Consumed	881,127	711,381
	<b>4,135,187</b>	<b>3,753,429</b>



# MVL Industries Limited

## Schedules Annexed to and Forming Part of the Profit & Loss Account

PARTICULARS	Current Year Ended 30th June 2011 (Amount in Rs.)	Previous Year Ended 30th June 2010 (Amount in Rs.)
<b>SCHEDULE 'M'</b>		
<b>ADMINISTRATIVE EXPENSES</b>		
Legal & Professional Charges	3,832,053	4,198,159
Conveyance	1,175,909	909,615
Repair & Maintenance	1,814,981	1,602,943
Printing & Stationery	288,111	422,648
Postage & Courier	147,769	174,651
Watch & Ward Expenses.	1,948,956	1,503,191
Travelling (Directors)	69,142	-
Travelling (Others)	353,977	424,108
Rent	3,077,916	2,661,168
Telephone Expenses	1,018,717	1,061,647
Subscription Books & Periodicals	405,458	338,448
Donation	-	2,500
Deferred Revenue Expenses Written/off	2,556,869	2,556,869
Rates Fee & Taxes	1,237,200	755,613
Miscellaneous Expenses	96,205	123,518
Rebate & Discount	(48,365)	(621,572)
Bad debts	2,137,831	3,484,825
Insurance Charges	1,390,409	1,177,099
Keyman Insurance	2,441,322	2,436,192
Meeting Expenses	91,798	70,428
Auditors Remuneration	542,978	553,806
Loss on sale of Fixed assets	183,867	136,970
	<b>24,763,103</b>	<b>23,972,825</b>
<b>SCHEDULE 'N'</b>		
<b>STAFF COST</b>		
Wages,Salaries & Welfares	22,381,248	17,744,746
Bonus	514,465	525,100
Contribution to Funds	1,182,392	1,076,721
	<b>24,078,105</b>	<b>19,346,567</b>
<b>SCHEDULE 'O'</b>		
<b>SELLING &amp; DISTRIBUTION</b>		
Advertisement Expenses	329,910	268,881
Carriage Outwards	1,460,077	979,123
Sales Promotion	2,898,321	4,331,578
C & F Charges	1,007,226	901,541
Warranty & Service Charges	147,235	317,887
	<b>5,842,769</b>	<b>6,799,010</b>
<b>SCHEDULE 'P'</b>		
<b>FINANCIAL CHARGES</b>		
Interest Charges	243,112,226	177,964,572
Bank Charges	38,270,740	30,089,853
Hire purchase charges	1,012,825	957,398
	<b>282,395,791</b>	<b>209,011,823</b>
<b>SCHEDULE 'Q'</b>		
<b>PRIOR PERIOD ADJUSTMENTS</b>		
Balances written off\ (written back)(net)	11,605	(13,254)
Rates & Taxes	-	2,800
Salary,bonus,leave encashment,LTA	(17,725)	8,047
Taxes for the earliar year	1,945,953	2,718,580
	<b>1,939,833</b>	<b>2,716,173</b>
<b>Figures in bracket indicate Credit balances</b>		



# **MVL Industries Limited**

## **SCHEDULE 'R'**

### **SCHEDULE OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES FOR THE YEAR ENDED ON 30.06.2011**

#### **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/up to 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 30th June 2011.

###### **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.





## MVL Industries Limited

### 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

- 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.
- CENVAT, if any availed on Capital goods or on purchases is not included in the cost of asset or goods.
- VAT availed on purchases does not form part of cost of goods.
- Unutilized balances if any of CENVAT and VAT at the year end are carried forward under the head loans and advances.

### B) NOTES

- 13 a) In pursuance of approval of the shareholders at the EGM held on 25th June, 2009, 26,00,000 convertible share warrants were allotted on 7th 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 3rd January 2011, 11,00,000 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.1,10,00,000/- and Share Premium has increased by Rs. 50,38,000/-

- b) Warrants application money received from warrant holders, who did not exercise the option within the stipulated period of 18 months has been forfeited during the year. As a result of this forfeiture Rs. 1,19,30,784/- has been credited to the General Reserve.

	Particulars	For the Year Ended 30.06.2011 (Rs. in Lacs)	For the Year Ended 30.06.2010 (Rs. in Lacs)
14	<b>Contingent Liabilities</b>		
	A. For Bank Guarantees	6.14	6.14
	B. For Corporate Guarantees	25,100.00	12,850.00
		<b>25,106.14</b>	<b>12,856.14</b>
15	<b>Claims not acknowledged as debt</b>		
	A. For Central Excise, Customs, Sales tax and Income Tax matters.	438.51	377.88
	B. For Commercial disputes.	3.56	3.06
		<b>442.07</b>	<b>380.94</b>
16	<b>Auditors Remuneration Covers:</b>		
	For Statutory Audit & Tax Audit	3.70	3.70
	For Taxation matters	1.00	1.00
	For Service Tax on above services	0.49	0.49
	For other reimbursement	0.24	0.35
		<b>5.43</b>	<b>5.54</b>





## MVL Industries Limited

	Particulars	For the Year Ended 30.06.2011 (Rs. in Lacs)	For the Year Ended 30.06.2010 (Rs. in Lacs)
17	<b>Directors' Remuneration Covers</b>		
	Salaries	60.54	52.12
	Contribution to Provident Fund	4.91	4.05
	Membership Fees	0.06	0.08
	Sitting Fees	1.08	0.98
		<b>66.59</b>	<b>57.23</b>
18	Sundry Debtors and Loans and Advances considered doubtful of recovery for which no provision has been made	67.30	67.30
19	<b>DEFERRED TAX LIABILITY (Net)</b>		
	i) <b>Deferred Tax Liability : Fixed Assets</b>	63.73	73.61
	ii) <b>Deferred Tax Assets: Deferred Revenue Expenditure</b>	(0.44)	(0.44)
	<b>Employees Retirement Benefits</b>	(33.99)	(21.98)
	<b>Total :</b>	<b>29.30</b>	<b>51.19</b>

- 20 Earning Per Share (EPS) - The numerator and denominator used to calculate Basic and Diluted Earning Per Share :

Profit attributable to the equity shareholders (Rs.lacs)

1696.84

1599.69

For Basic Earnings.

Number of Equity Shares (Weighted Average)

26329091

24719215

For Diluted Earnings.

Number of Diluted Equity Shares (Weighted Average)

26329091

25144736

Nominal Value of Equity Share

10

10

Earning Per Shares

Basic

6.58

6.47

Diluted

6.58

6.36

- 21 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".
- 22 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 foregoing Balance Sheet unless otherwise stated.
- 23 Sales Tax assessments have been finalised upto financial year 2007-08, however, assessment of some of the branches for the year 2007-08 are pending. Liability, if any, for the unassessed years remains unascertained.
- 24 Previous year figures have been regrouped and rearranged, wherever necessary.
- 25 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.
- 26 Utilization of Preferential Allotment Proceed
- The proceeds of preferential allotment of 1100000 convertible warrants made during the year, were utilized towards the objects stated at the time of issue of warrants.
- 27 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, 2011. 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.
- 28 Miscellaneous income includes dividend of Rs.31,22,931/- (previous year of Rs.67,47,633/-)



## MVL Industries Limited

### 29 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.  
Balaji Tirupati Buildcon Ltd. (upto 12.01.2011)  
Media Sattelite & 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.

#### (2) Transactions with related parties referred in 29(1) above, in ordinary course of business:

( Rs.in Lacs )

Nature of Transactions	Referred in 29 (1) (a) above	Referred in 29(1) (b) above	Referred in 29 (1) (c) above	For the year Ended 30.06.2011	For the year Ended 30.06.2010
<b>Purchases</b>					
Goods & Materials	3231.42	-	-	3231.42	12495.39
<b>Sales</b>					
Goods & Materials	456.22	-	-	456.22	484.97
<b>Expenses</b>					
Rent paid	1.20	-	10.05	11.25	7.80
Interest (Reversed)	461.48	-	-	461.48	-
Directors Remuneration	-	60.54	-	60.54	52.12
Directors sitting Fees	-	0.12	-	0.12	0.12
<b>Income</b>					
Rental Income	11.35	-	-	11.35	10.32
Interest Income	85.62	-	-	85.62	134.20
Proportionate expenses recovered	2.93	-	-	2.93	2.26
Amount towards share capital and premium received on conversion of Prf. Share Warrants	80.19	-	80.19	160.38	99.39
Warrants Application Money Received	-	-	-	-	184.44
<b>Guarantees</b>					
Corporate Guarantees given	25100.00	-	-	25100.00	12850.00
Corporate Guarantees availed	15950.00	-	-	15950.00	9850.00



## MVL Industries Limited

( Rs.in Lacs )

Nature of Transactions	Referred in 29 (1) (a) above	Referred in 29 (1) (b) above	Referred in 29 (1) (c) above	For the year Ended 30.06.2011	For the year Ended 30.06.2010
3. a) Sundry debtors include debts due from Ltd. Companies under the same Management	149.06	-	-	149.06	130.22
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	633.82	-	-	633.82	378.34
30 (a) Market Value of Quoted Mutual Fund 104,828 (Previous year 141,350 ) Units of Rs.10/- each of PNB Principal Mutual Fund.				28.45	30.00
(b) Market Value of Quoted Investment in Equity Shares				15805.25	21598.35

31 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.

32 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

I. Licenced Capacity	Unit	AS ON 30.06.2011	AS ON 30.06.2010
A. DVD/VCD Players }			
B. T.V.Games }		N.A	N.A
C. Plastic Articles }			
II. Installed Capacity (P.A)		Assembly Lines	Assembly Lines
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

III. Production			
Plastic Articles	Pcs.	572500	875000
Games Boy	Pcs.	22540	33250



# MVL Industries Limited

		FOR THE YEAR ENDED 30.06.2011 (RS. IN LACS)		FOR THE YEAR ENDED 30.06.2010 (RS. IN LACS)	
		Qty	Value	Qty	Value
<b>B. ANALYSIS OF GOODS PURCHASED</b>	<b>Unit</b>				
Electronic Items	Nos.	1354766	43,214.83	1106228	41,048.64
Others	Assorted	-	-	-	-
		<b>1354766</b>	<b>43,214.83</b>	<b>1106228</b>	<b>41,048.64</b>
<b>C. ANALYSIS OF TURNOVER</b>					
Electronic Items	Nos.	1369150	47,298.95	1147881	43,749.48
Others	Assorted	-	5.64	-	1.32
		<b>1369150</b>	<b>47,304.59</b>	<b>1147881</b>	<b>43,750.80</b>
<b>D Particulars of Opening and Closing Stock of goods dealt with.</b>					
<b>I) Opening 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>II) Closing stock</b>					
Electronic Items	Nos.	243286	4943.06	235130	4973.53
Others	Assorted	-	473.59	-	498.15
		<b>243286</b>	<b>5,416.65</b>	<b>235130</b>	<b>5,471.68</b>
<b>E CIF Value of Imports of Raw Materials, Components, Spares, Capital and Other Goods</b>					
Trading goods		-	6.06	-	23.18
<b>F Earning in Foreign Exchange</b>		-	NIL	-	NIL
<b>G Expenditure in foreign currency</b>					
For Travelling		-	0.14	-	0.14
<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		7.21	35.41%	12.08	38.48%
Indigenous		13.15	64.59%	19.31	61.52%
		<b>20.36</b>	<b>100.00%</b>	<b>31.39</b>	<b>100.00%</b>
<b>ii) Stores, spares and packing material Indigenous</b>					
		8.81	100.00%	7.11	100.00%
		<b>8.81</b>	<b>100.00%</b>	<b>7.11</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 : 30<sup>th</sup> August, 2011

For and on behalf of the Board

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

Sd/-  
**(Rakesh Gupta)**  
Whole Time Director

Sd/-  
**(Rajesh Galhotra)**  
Director

Sd/-  
**(Chetna Tyagi)**  
Company Secretary



# MVL Industries Limited

## Cash Flow Statement for the Year ended 30.06.2011

SL. NO.	PARTICULARS	For the year ended 30.06.2011 (Rs. in lacs)	For the year ended 30.06.2010 (Rs. in lacs)
<b>A)</b>	<b>Cash flow from Operating activities</b>		
	Net profit before taxation & extraordinary items	1,996.36	1,946.94
	Adjustment for		
	- Depreciation	60.44	57.51
	Revenue Exp./other claims written off	25.57	25.57
	Loss on sale of Fixed Assets	1.84	1.37
	Interest charges	2,813.83	2,080.54
	Lease rent	10.13	9.57
	Interest /other income received	(1,454.57)	(1,606.29)
	<b>Operating Profit before working capital changes</b>	<b>3,453.60</b>	<b>2,515.21</b>
	<b>Adjustment for (increase)/decrease in -</b>		
	Trade Receivables	(1,868.19)	(1,038.19)
	Other Receivables	49.13	(4,468.08)
	Inventories / Projects Work in Progress	57.94	(354.46)
	Trade payables and others	917.54	(513.83)
	<b>Cash generated from operations</b>	<b>2,610.02</b>	<b>(3,859.35)</b>
	Direct Taxes paid	(131.75)	18.83
	Cash Flow before extraordinary items	2,478.27	(3,840.52)
	Extraordinary items	(19.40)	(27.16)
	<b>Net cash flow from Operative Activity</b>	<b>2,458.87</b>	<b>(3,867.68)</b>
<b>B)</b>	<b>Cash Flow from investing activities</b>		
	Investments	(285.96)	(19.72)
	Purchase of property,plant,equipment & other long term assets	(258.60)	(146.49)
	Sale proceeds of property,plant,equipment & other long term assets	8.50	128.15
	Interest received & other Misc.Income	1,454.58	1,606.29
	Deferred Revenue Expenditure	-	-
	<b>Net Cash from investing activities</b>	<b>918.52</b>	<b>1,568.23</b>
<b>C)</b>	<b>Cash Flow from Financing Activities</b>		
	Interest and similar charges paid	(2,813.83)	(2,080.54)
	Lease Rent Liabilities paid	(10.13)	(9.57)
	Increase in Share Capital/ Convertible Warrants/ Share Application	95.25	283.83
	Increase/(Decrease) in cash Credit Utilisation	(786.22)	4,141.67
	Net Cash from Financing Activities	(3,514.93)	2,335.39
	Net increase in cash and cash equivalents (A+B+C)	(137.54)	35.94
	Cash and Bank Equivalent (opening balance)	191.34	155.40
	Cash and Bank Equivalent (closing balance)	53.80	191.34

For and on behalf of the Board

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

Sd/-  
**Rakesh Gupta**  
Whole Time Director

Sd/-  
**Rajesh Galhotra**  
Director

Sd/-  
**Chetna Tyagi**  
Company Secretary

### AUDITOR'S CERTIFICATE

We have examined the attached Cash Flow Statement of MVL Industries Limited for the year ended 30th June 2011 This Statement has been prepared by the Company in accordance with the requirements of Clause 32 of 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 30th August 2011 to the members of the Company.

For **ARUN KISHORE & COMPANY**  
Chartered Accountants  
(FRN : 001898N )

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

Place : New Delhi  
Date : 30th August 2011



# MVL Industries Limited

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

<b>I REGISTRATION DETAILS</b>		
CIN No.		L32109DL1986PLC026273
Balance Sheet date		30.06.2011
<b>II CAPITAL RAISED DURING THE YEAR</b>		
		<b>(Amount in Rs. Thousands)</b>
Public issue		NIL
Right Issue		NIL
Bonus Issue		NIL
Private Placement		11000
<b>III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS</b>		
Total liabilities		3277343
Total Assets		3277343
<b>SOURCES OF FUNDS</b>		
Paid up Capital		263291
Reserves and Surplus		1103272
Deferred Tax Liability		2931
Secured Loans		1242732
Unsecured loans		201281
<b>APPLICATION OF FUNDS</b>		
Net Fixed Assets		96716
Investments		224727
Net Current Assets		2488589
Misc Expenditure		3475
<b>IV PERFORMANCE OF THE COMPANY</b>		
Turnover including other income		4875917
Total expenditure		4678221
Profit before tax		197696
Profit after tax		169684
Earnings per share Rs.		6.58
Dividend Rate (%)		-
<b>V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY</b>		
(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

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

Sd/-  
(Rakesh Gupta)  
Whole Time Director

Place : New Delhi  
Date : 30th August, 2011

Sd/-  
(Rajesh Galhotra)  
Director

Sd/-  
(Chetna Tyagi)  
Company Secretary

## MVL INDUSTRIES LIMITED

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

### ATTENDANCE SLIP 24th 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 24<sup>th</sup> Annual General Meeting of the Company to be held on Tuesday, 20<sup>th</sup> December, 2011, 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 24<sup>th</sup> Annual General Meeting of the Company to be held on Tuesday, 20<sup>th</sup> December 2011, 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 .....2011

Affix  
Re. 1/-  
Revenue  
Stamp

# **BOOK POST**



**MVL Industries Limited**

**Regd. Office:** MEDIA HOUSE, B-86/1, Okhla Industrial area, Phase -II, New Delhi - 110 020  
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