



EURO MULTIVISION LIMITED



7<sup>th</sup> ANNUAL REPORT 2010 - 2011

*Be bright turn to Polar Power*



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## CORPORATE INFORMATION

BOARD OF DIRECTORS		FINANCE COMMITTEE	
Mr. Nenshi Shah	Non-Executive Chairman	Mr. Nenshi Shah	Chairman
Mr. Hitesh Shah	Managing Director	Mr. Vinod Shah	Member
Mr. Rayshi Shah	Non-Executive Director	Mr. Hitesh Shah	Member
Mr. Suresh Shah	Non-Executive Director	Mr. Suresh Shah	Member
Mr. Chirag Shah	Executive Director		
Mr. Jatin Chhadva	Independent Director		
Mr. Pravin Gala	Independent Director		
Mr. Deepak Savla	Independent Director		
Mr. Vinod Shah	Independent Director		
Mr. Anil Mandevia	Independent Director		
CHIEF OPERATIONS OFFICER		AUDITORS	
Mr. Chakradhar Rout		Swamy & Chhabra Chartered Accountants 618, Arenja Corner, Sector 17, Vashi, Navi Mumbai-400705	
VICE PRESIDENT- PHOTOVOLTAIC OPERATIONS		BANKERS / INSTITUTIONS	
Mr. Rajababu Kalla		The Cosmos Co-op. Bank Ltd. State Bank of India HDFC Bank Ltd.	
CHIEF FINANCE MANAGER/COMPLIANCE OFFICER		REGISTERED OFFICE	
Mr. Sunil Nemani		Euro House, CTS No. 1406, A25/6, Chincholi Bunder Road, Behind Inorbit Mall, Malad (West), Mumbai-400064	
COMPANY SECRETARY		REGISTRARS & SHARE TRANSFER AGENTS	
Ms. Shivangi Koshe		Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai-400078	
BOARD COMMITTEES		PLANT LOCATIONS	
AUDIT COMMITTEE		OPTICAL DISC UNIT	
Mr. Pravin Gala	Chairman	Survey No. 508 and 509, Village Shikara, Bhachau Dudhai Road, Bhachau (Kutch), Gujarat -370140	
Mr. Hitesh Shah	Member	SOLAR PHOTOVOLTAIC CELL UNIT	
Mr. Jatin Chhadva	Member	Survey No. 492, 504, 505(1), 505(2), 506 Village Shikara, Bhachau Dudhai Road, Bhachau (Kutch), Gujarat -370140	
Mr. Vinod Shah	Member		
REMUNERATION COMMITTEE			
Mr. Jatin Chhadva	Chairman		
Mr. Pravin Gala	Member		
Mr. Deepak Savla	Member		
Mr. Chirag Shah	Member		
SHAREHOLDER/INVESTOR GRIEVANCE COMMITTEE			
Mr. Nenshi Shah	Chairman		
Mr. Chirag Shah	Member		
Mr. Hitesh Shah	Member		
Mr. Suresh Shah	Member		

## NOTICE

Notice is hereby given that the Seventh Annual General Meeting of the members of Euro Multivision Limited will be held at Sir Pochkanwala Bankers Training (SPBT) College, JVPD Scheme, Vile Parle (West), Mumbai-400056 on Wednesday, September 28, 2011 at 11.30 a.m. to transact the following business:

### Ordinary Business

- (1) To receive, consider and adopt the Audited Profit & Loss Account for the financial year ended March 31, 2011 and the Balance Sheet together with the Reports of Board of the Directors and Auditors thereon.
- (2) To appoint a Director in place of Mr. Rayshi Shah, who retires by rotation and being eligible, offers himself for re-appointment.
- (3) To appoint a Director in place of Mr. Vinod Shah, who retires by rotation and being eligible, offers himself for re-appointment.
- (4) To re-appoint Auditors M/s. Swamy & Chhabra, Chartered Accountants as statutory auditors of the Company and to fix their remuneration.

**By Order of the Board of Directors**

**Shivangi Koshe**  
Company Secretary

Place : Mumbai  
Date : August 24, 2011

### **Registered Office**

Euro House,  
CTS No. 1406, A25/6,  
Chincholi Bunder Road,  
Behind Inorbit Mall,  
Malad (West),  
Mumbai-400064

### **NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED AND SIGNED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. Members are requested to notify immediately any change in their addresses and/ or Bank mandate details to the Registrar and Share Transfer Agents of the Company at the following address:  
  
M/s Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai-400078.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 22, 2011 to Wednesday, September 28, 2011 (both days inclusive).
5. For the convenience of the shareholders, attendance slip cum entry pass is annexed to the Annual Report. Shareholders/Proxy holders/Authorised Representatives are requested to fill in and affix their signatures at the space provided therein and surrender the same at the venue. Proxy/Authorised Representatives of shareholders should state on their attendance slip-cum-entry pass as Proxy or Authorised representatives as the case may be.



6. As per the requirement of Clause 49 of the Listing Agreement on Corporate Governance for appointment of the Directors / re-appointment of the retiring Directors, a statement containing details of the concerned Directors are provided as Annexure to the notice.
7. Member desirous of getting any information relating to the accounts and operations of the Company are requested to address their queries at least 7 days in advance of the meeting so that the information required may be made available at the meeting.
8. The Equity shares of the Company are mandated for trading in the compulsory dematerialised mode. The ISIN No. allotted for the Company's shares is IN063J01011.
9. The Ministry of Corporate Affairs, vide its Circular nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 has taken a "Green Initiative" by allowing paperless compliances by the companies to serve the requisite documents to its members vide e-mode, in pursuance to Section 53 of the Companies Act, 1956. Accordingly, the Company shall be required to update its database by incorporating your designated e-mail ID in its records.

You are thus requested to kindly submit your e-mail ID vide the e-mail updation form attached in this Annual Report of the Company. The same could be done by filling up and signing at the appropriate place in the said form and by returning this letter by post. The e-mail ID provided shall be updated subject to successful verification of your signatures as per record available with the RTA of the Company.

**By Order of the Board of Directors**

**Shivangi Koshe**  
Company Secretary

Place: Mumbai  
Date : August 24, 2011

**Registered Office**

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CTS No. 1406, A25/6,  
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Mumbai-400064

**ANNEXURE TO THE NOTICE**

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement)

Particulars	Name of the Directors	
	Mr. Rayshi Shah	Mr. Vinod Shah
Date of Birth	December 20, 1949	February 28, 1958
Nationality	Indian	Indian
Date of appointment on the Board	April 29, 2004	July 23, 2007
Expertise in functional area	Production and Marketing	Finance & Budget
Number of shares held in the Company as on March 31, 2011	Nil	Nil
List of Directorships held in other Public Limited Companies as on March 31, 2011	-	1
Chairman/Member of the Committees of other Companies in which he is a Director as on March 31, 2011	-	Inventure Growth & Securities Limited

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Seventh Annual Report together with the Audited Accounts for the year ended March 31, 2011.

### FINANCIAL RESULTS

The performance of the Company for the financial year ended March 31, 2011 is summarized as under:

Particulars	(Rs. In Lakhs)	
	Year ended March 31 2011	Year ended March 31 2010
Income from Operations	9137.18	5659.63
Miscellaneous Income	49.83	15.56
Increase / Decrease in stock	767.19	(258.00)
<b>Total Income</b>	<b>9954.20</b>	5417.19
<b>Total Expenditure</b>	<b>9678.26</b>	3580.50
<b>Earning Before Interest, Depreciation &amp; Tax</b>	<b>275.94</b>	1836.69
Interest and Finance Charges	1666.55	544.79
Depreciation	2182.49	1171.96
<b>Profit / (Loss) Before Tax</b>	<b>(3573.10)</b>	119.94
Less: Provision for Tax / Fringe Benefit Tax	-	20.38
Less: Provision for Deferred Taxation	(638.52)	(58.81)
Less : MAT Credit available for set off	-	75.34
Add : Excess Prior Year Tax Provision	-	1.29
<b>Profit after Tax available for appropriation</b>	<b>(2934.58)</b>	81.74
Add: Profit / (Loss) brought forward from previous year	1728.39	1646.66
<b>Balance Carried to Balance Sheet</b>	<b>(1206.19)</b>	1728.40

### FINANCIAL PERFORMANCE

During the year under review, your Company recorded total income of Rs. 9954.20 Lakhs as against Rs. 5417.19 Lakhs in the previous year. The financial performance at the EBIDTA level was subdued with EBIDTA declining by 84.98% as compared to the previous year.

The Company's Solar Photovoltaic Cells unit is concentrated in a sector specific Special Economic Zone developed by the Company itself, which enjoys tax and other fiscal benefits. The Company commenced commercial operations of its Solar Photovoltaic Cells Unit on August 24th, 2010. The prices of solar cells have shown drastic reduction without corresponding reduction in the input costs affecting the EBIDTA level. Although the Solar Photovoltaic Plant was commissioned successfully, the changed market scenario, withdrawal / reduction of incentives, support schemes by the Governments of various developed countries has impacted the solar industry and thereby performance of the Company.

Further increased competition from organized and unorganized players and lower realization due to commoditization in the optical discs business, the EBIDTA margins in optical storage business were impacted.

### DIVIDEND

Your Directors do not recommend any dividend for the financial year under review due to non availability of profits and to conserve the available internal resources for the business requirements.

**DIRECTORS**

In terms of Section 256 of the Companies Act, 1956 read with Article 174 of Articles of Association of the Company, Mr. Rayshi Shah and Mr. Vinod Shah, the Non-Executive Directors of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. All the appointments of the Directors of the Company are in compliance with the provisions of Section 274 (1) (g) of the Companies Act, 1956. A brief profile of directors, containing details of directors proposed to be appointed / re-appointed is appended as an annexure to the notice of ensuing Annual General Meeting.

**DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors confirm to the best of their knowledge and belief that:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- b) Appropriate accounting policies have been selected and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2010-2011 and losses of the Company for the year ended March 31, 2011;
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts have been prepared on a going concern basis.

**CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS**

The Company has, pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, complied with the requirements of Corporate Governance. A report on Corporate Governance and a certificate from the auditors regarding the compliance of Corporate Governance conditions are made part of this Annual Report.

Management Discussion and Analysis, as stipulated under Clause 49 (VI) of the Listing Agreement, entered into by the Company with Stock Exchanges, is given as a separate section in the Annual Report.

**PUBLIC DEPOSITS**

Your Company has taken Public Deposits within the meaning of Sections 58A and 58AA of the Companies Act, 1956, during the year under review. The Company has filed a copy of Statement in Lieu of Advertisement and necessary particulars as required with the Registrar of Companies, Mumbai.

**AUDITORS**

M/s. Swamy & Chhabra, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of Section 226 of the said Act.

**AUDITORS REPORT**

The observations made in the Auditors' Report, read together with the relevant notes thereon are self-explanatory. As regards delay in repayment of principal and interest thereon of bank loans, the same were due to the fact that the Solar Photovoltaic Cells unit after commencing operations in August 2010 faced many challenges, taking time for stabilization and achieving desired levels of efficiency for its finished product.

**ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE****(A) CONSERVATION OF ENERGY**

The Company continues its efforts to reduce and optimize the use of energy consumption by opting power effective replacements of equipments and electrical installations. Whenever any equipment is not needed, it is switched off instead of keeping in idle condition, thus saving substantial energy. The lighting load is reduced by feeding required voltage through a stabilizer without compromising light intensity. The Company

has taken adequate steps to ensure comparatively low energy consumption. Constant studies and checks are being made to improve the efficiency in consumption of energy. The power requirement of Solar Photovoltaic Cells unit is met from HT connection taken from Paschim Gujarat Vij Company Limited.

Particulars	2010-2011		
	Unit	Rate	Amount (Rs. In Lakhs)
Captive Power Plant	10772350	3.98	427.15
Electricity Duty		0.40	39.43
Through DG set	607389		70.70
Through Paschim Gujarat Vij Company Limited	2753790		169.36
Total			706.64
Less: Capitalized for Solar Photovoltaic Cells Unit			76.34
Total			630.30

## (B) RESEARCH & DEVELOPMENT

The ongoing Research and development is carried out during the course of production in the direction of production efficiency and quality standards. No specific expenditure is made under the head R & D but constant development efforts are made to increase the efficiency and for cost reduction.

## (C) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The technology for Optical Disc unit has been imported and absorbed from VDL ODMS, Netherlands for Optical Disc unit. The import of the said machinery was done in the financial year 2004-05 and 2006-07. The technology for Solar Photovoltaic Cells unit has been imported and absorbed from OTB Solar, Netherlands. The import of the said machinery was done in the financial year 2008-2009. The technology utilized provides consistency in production, productivity, quality and reliability.

## (D) FOREIGN EXCHANGE EARNINGS / OUTGO

The relevant information in respect of the foreign exchange earnings and outgo has been given in the Notes forming part of the accounts for the year ended on March 31, 2011.

## PERSONNELS

Your Company maintained cordial relations with their personnel's during the year under review. The Company continued its endeavor to grow the learning curve through regular training programs for its team members enabling them to attain higher productivity and superior quality.

## ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the continued support and co-operation of the shareholders, banks, various regulatory and government authorities, auditors, business associates and all the employees of the Company for their valuable contributions received during the year under review.

## For and on behalf of the Board of Directors

**Nenshi L Shah**  
Chairman

Place : Mumbai  
Date : August 24, 2011

**Registered Office**  
Euro House,  
CTS No. 1406, A25/6,  
Chincholi Bunder Road,  
Behind Inorbit Mall,  
Malad (West),  
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## CORPORATE GOVERNANCE REPORT

### (1) COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company is committed to adopt the best corporate governance practices and endeavours continuously to implement the code of Corporate Governance in its true spirit. The philosophy of the Company in relation to Corporate Governance is to ensure transparency in all its operations, make disclosures and enhance shareholders values without compromising in any way complying with the laws and regulations.

The Board of Directors acknowledges that it has a fiduciary relationship and a corresponding duty towards the stakeholders to ensure that their rights are protected. Through the Governance mechanism in the Company, the Board along with its committees endeavours to strike a right balance with its various stakeholders.

### (2) BOARD OF DIRECTORS

#### (a) Composition

The Board of Directors provides strategic direction and thrust to the operations of the Company. As on March 31, 2011 the Board of Directors of the Company has an optimum combination of executive and non executive Directors. The Board comprises of total 10 Directors out of which two are Executive Directors, one is a Non-Executive Chairman, two are Non-Executive Directors and five are Independent Directors. Hence the Company is complying with the provisions of clause 49 of the listing agreement entered into with the stock exchanges. The Board reviews its strength and composition from time to time to ensure that it remains aligned with the requirements of the business.

#### (b) Board Procedure

Dates for the Board meetings are decided well in advance and communicated to the Directors. Board meetings are held at the registered office of the Company. Additional meetings of the Board are held when deemed necessary by the Board.

The agenda is prepared in consultation with the Chairman of the Board and the Chairman of the other committees. The agenda for the meetings of the Board and its committees, together with the appropriate supporting documents, is circulated well in advance of the meeting.

Matters discussed at Board Meeting generally relate to Company's performance, quarterly results, approval of related party transactions, general notice of interest of Directors, review of the reports of the Audit Committee and compliance with their recommendations, suggestions, compliance of any regulatory, statutory or listing requirements, etc.

#### (c) Attendance at and Number of Board meetings

##### Board Meetings

During the year under review, the Board of Directors met five times viz, April 1, 2010, May 31, 2010, August 10, 2010, November 12, 2010 and February 1, 2011 and as required the gap between two Board meetings did not exceed four calendar months.

The name and categories of the Directors on the Board, their attendance at Board Meetings and Annual General Meeting held during the financial year 2010-2011, number of Directorships and Committee Memberships held by them in other Companies are given below:

Name	Nature of Directorship	No. of Board meetings held in 2010-2011	No. of Board meetings attended during 2010-2011	No. of other Directorship in Public Companies	Membership / Chairmanship of Committees in other Companies		Whether attended the last AGM
					Member	Chairman	
Mr. Nenshi Shah	Non-Executive Chairman	5	3	3	1	-	YES
Mr. Rayshi Shah	Non-Executive Director	5	4	-	-	-	YES
Mr. Suresh Shah*	Non-Executive Director	5	3	1	-	-	YES
Mr. Hitesh Shah	Managing Director	5	4	1	-	-	YES
Mr. Chirag Shah	Executive Director	5	4	1	-	-	YES
Mr. Jatin Chhadva	Independent Director	5	3	1	-	-	YES
Mr. Pravin Gala	Independent Director	5	3	1	-	-	YES
Mr. Deepak Savla	Independent Director	5	3	1	-	-	NO
Mr. Vinod Shah	Independent Director	5	1	1	1	-	YES
Mr. Anil Mandevia	Independent Director	5	4	1	-	-	YES

\* Mr. Suresh Shah has resigned from the office of Whole-time Director and has been appointed as Non-Executive Director of the Company w.e.f. 1<sup>st</sup> April, 2011.

### (3) COMMITTEES OF THE BOARD

The Board Committees focus on certain specific areas and make informed decisions about the same. Each Committee of the Board functions according to its charter that defines its composition, scope, power and role in accordance with the Companies Act, 1956, and the Listing Agreement. Presently the Board has the following three Committees:

- (i) Audit Committee
- (ii) Shareholders / Investor's Grievance Committee
- (iii) Remuneration Committee

The roles and responsibilities assigned to these committees are covered under the term of reference approved by the Board and are subject to review by the Board from time to time. The minutes of the meetings of Audit Committee, Shareholders / Investor Grievance Committee, Remuneration Committee and Finance Committee are placed before the Board for their discussions and noting. The details as to the composition, terms of reference, number of meetings and attendance there at, etc. of these Committees are provided below:

#### (a) Audit Committee

The Company has an Audit Committee in accordance with the requirement of Section 292A of the Companies Act, 1956 and the terms of reference are in conformity with Clause 49 of the Listing Agreement. The Committee comprises of three Independent Directors and Managing Director of the Company. The Statutory Auditors are also invited to the meetings.

The Audit Committee met four times during the year under review and the number of meetings attended by each member during the year ended March 31, 2011 is as under:

Name of the member	Designation	Date of the Meetings	No. of Committee Meetings	
			Held	Attended
Mr. Pravin Gala	Chairman	May 31, 2010	4	3
Mr. Jatin Chhadva	Member	August 10, 2010	4	3
Mr. Vinod Shah	Member	November 12, 2010	4	4
Mr. Hitesh Shah	Member	February 01, 2011	4	3