

13TH Annual Report 1999-2000

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V I D E O
L I M I T E D

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MEDIA VIDEO LTD.

Board of Directors

PREM ADIP RISHI - *Chairman & Managing Director*

RAKESH GUPTA - *Wholetime Director (Finance)*

GOPAL K. SOOD - *Director*

RAJESH GALHOTRA - *Director*

GURU DUTT SHUKLA - *Director*

Company Secretary

HARISH KHURANA

Auditors

ARUN KISHORE & CO.

Bankers

ALLAHABAD BANK
PUNJAB NATIONAL BANK

Registered Office

B-86/1, Okhla Industrial Area,
Phase - II, New Delhi - 110 020.

Works

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


MEDIA VIDEO LTD.

NOTICE

Notice is hereby given that the 13th Annual General Meeting of the Members of Media Video Ltd. will be held on Friday, the 29th December, 2000 at 11.30 A.M. at Kolmet Farms, DLF, Chhatarpur Area, New Delhi - 110 030 to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 30th June, 2000 and Profit & Loss Account for the year ended as on that date and the reports of the Auditors and the Board of Directors thereon.
2. To appoint a Director in place of Shri Gopal K Sood, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Guru Dutt Shukla, 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 Special Resolution:-
 "RESOLVED THAT pursuant to Section 17 and other applicable provisions, if any, of the Companies Act, 1956, and subject to such consents, permissions as and when required, the main object clause of the Memorandum of Association of the Company be altered by adding the following new sub-clause 8 after the existing sub-clause 7 of Clause III-A of the Memorandum of Association of the company:-
 8. To manufacture, produce, buy, sell, retail, wholesale, import, export, exchange and or otherwise deal in all kinds of toys, educational toys, activity toys, construction toys, sports goods, bicycles, tricycles, games, their parts and components.

By Order of the Board
for Media Video Limited

Place : New Delhi
Date : 30.09.2000

(PREM ADIP RISHI)
Managing Director

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The enclosed proxy form, if intended to be used, should be returned duly completed at the Registered office of the Company not less than forty eight hours before the scheduled time of the Meeting.
3. The relevant Explanatory Statements pursuant to the Section 173(2) of the Companies Act, 1956, in respect of item no.5 is annexed hereto.
4. The Register of Members and Share Transfer books of the Company will remain closed from **Monday 11th December, 2000 to Friday 29th December, 2000 (both days inclusive)**
5. Members are requested to intimate immediately any change in their registered address to the Company at its registered office.
6. Shareholders seeking any information with regard to accounts are requested to write to the Company Secretary by 20th December, 2000 so that information may be made available at the meeting.
7. Members are requested to bring their copies of Annual Report at the meeting.


MEDIA VIDEO LTD.

Explanatory statement pursuant to section 173(2) of the Companies Act, 1956.

ITEM NO. 5

Your Company has plan to diversify in the field of toys, games, sports goods and other related business. At present these activities are not directly covered in the main objects clause of the Memorandum of Association of the company. For adding these activities in the object clause, alteration in Memorandum of Association is required. The management has identified dealing in toys, sports goods, bicycle etc. as detailed in the resolution as future line of activities as there is good potential in the market. Your Board of Directors are of the opinion that with the said addition of activities, the business of the company can be :

- i) carried out more conveniently and efficiently and
- ii) it will enable the company to enlarge the local area of its operations.

The proposed business under the existing circumstances can be conveniently and advantageously be combined/ carried by the company.

For altering the main object Clause under Section 17 of the Companies Act, 1956, approval of the shareholders is required.

Hence enabling resolution is being proposed and your Directors recommend the resolution for approval.

Copy of the Memorandum of Association of the company is available for inspection at the Registered office of the company on all working days during the usual working hours upto the date of the meeting.

None of the Directors is concerned or interested in the resolution.

By Order of the Board
for **Media Video Limited**

Place : New Delhi
Date : 30.09.2000

(PREM ADIP RISHI)
Managing Director

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**MEDIA VIDEO LTD.**

DIRECTORS' REPORT

TO THE MEMBERS OF MEDIA VIDEO LTD.

Your Director have pleasure in presenting the 13th Annual Report and Audited Statement of Accounts for the year ended 30th June, 2000.

FINANCIAL HIGHLIGHTS

Particulars	(Rs.in lacs)	
	Year ended 30.06.2000	Year ended 30.06.1999
Sales and Service	4666.75	3390.76
Gross Profit/(Loss)	(43.23)	378.44
Depreciation	83.94	73.97
Profit Before Tax	(107.80)	330.99
Prior Period Adjustments	19.37	26.52
Provision for Tax	—	1.25
Profit/(Loss) after tax	(127.17)	303.22
Add: Surplus brought forward	343.55	290.33
Profit available for appropriation	216.38	593.55
Appropriations :-		
Transfer to General Reserve	21.00	250.00
Balance Carried Forward	195.38	343.55

OPERATIONS:

During the year under review, turnover was Rs.4666.75 lacs as compared to Rs.3390.76 lacs during the previous year, thus showing a growth of 38% over that of last year. However, on account of amendment to Section 211 of the Companies Act, 1956 requiring all Companies to comply with Accounting Standards issued by the Institute of Chartered Accountants of India, there has been change in the basis of valuation of closing stocks. As a result of said change, the profit for year is lower by Rs. 449.75 lacs. Had there been no change in the method of valuation of stocks, the net profit would have been Rs. 322.58 lacs, and the EPS would have been Rs. 3.15 as against Rs. 2.96 of last year.

FUTURE PROSPECTS

Forseeing a bright future in the Toys market your company has diversified into marketing of branded/good quality toys. It has planned to market them through its own Retail outlets and/or by appointing chain of franchises through out India. Your Company is hopeful that during current financial year, the Toys division will give its contribution, thus, further enhancing the E.P.S of your Company.

DIVIDEND

In order to supplement the increased working capital requirement for diversifications and expansions, no dividend is recommended.

DIRECTORS

Shri Gopal K Sood and Shri Guru Dutt Shukla, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Your Board of Directors recommend their re-appointment.

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.



MEDIA VIDEO LTD.

AUDITORS

M/s Arun Kishore & Company, Chartered Accountants, New Delhi the Statutory Auditors of your Company retires at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Company has received a certificate as required under section 224(1B) of the Companies Act, 1956 from them to the effect that their re-appointment, if made, would be in conformity within the limits specified in the said section.

AUDITORS REPORT

The Auditors Report to the members together with Account for the year ended 30th June, 2000 and notes thereon are attached, which are self explanatory except

- (i) unconfirmed balances for which your Company has its own Internal Audit system to monitor the reconciliations periodically, hence, confirmation of all outstanding balances at the year end are not taken;
- (ii) non-provision of doubtful debts and Advances for which your company is hopeful for their recovery during the ensuing year, so no provision has been created.
- (iii) provision for gratuity which has not been made to commensurate with past practice of your company to provide for gratuity in the year of its payment only.

LISTING OF SECURITIES

Shares of your Company are listed on (i) Delhi Stock Exchange (ii) Mumbai Stock Exchange (iii) Madras Stock Exchange, (iv) Calcutta Stock Exchange (v) National Stock Exchange.

Listing fees for the year 2000-2001 has been paid to all the Stock Exchanges where shares are listed.

DEMATERIALISATION OF COMPANY'S SECURITIES

The dematerialisation of securities has transformed the trading environment in the country. The trading in the shares of the Company was made compulsory in dematerialised form and rolling settlement for all investors with effect from May 8, 2000 as per notification issued by the Securities and Exchange Board of India (SEBI). Accordingly the Company has signed the tri-partite agreement with both depositories namely National Security Depository Limited (NSDL) and Central Depository Services Limited (CDSL) on 10.03.2000 and 09.3.2000 respectively. Members may avail of these facilities and hold demat shares of the Company through any of Depository Participants. Members/shareholders who have not dematerialised their shares as yet, are advised to have their shares dematerialised to avail the benefits of paperless trading.

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.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.

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

RESEARCH AND DEVELOPMENT

The Company's research and development activities continue to be towards up-gradation and improvement in quality which helps the Company to develop new models and also to control costs.

FOREIGN EXCHANGE EARNING AND OUTGO.

	<u>Current Year</u>	<u>Previous Year</u>
Foreign Exchange Earning	Rs.367.77 lacs	Rs. 90.10 lacs
Foreign Exchange Outgo	Rs. 9.60 lacs	Rs.110.86 lacs

ACKNOWLEDGMENTS

Your Directors place on record their grateful thanks to the Bankers of the Company, Government Departments and other agencies for their co-operation & assistance and appreciation to the employees of the Company for their sincerity, dedication and hard work.

By Order of the Board
for Media Video Limited

Place : New Delhi
Date : 30.09.2000

(PREM ADIP RISHI)
Managing Director

**MEDIA VIDEO LTD.**

AUDITORS' REPORT

The Members of **MEDIA VIDEO LTD.**

We have audited the attached Balance Sheet of **MEDIA VIDEO LTD.** New Delhi as at 30.6.2000 and the annexed Profit & Loss Account of the Company for the year ended on that date and report that :

1. 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.
2. 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.
3. The Balance Sheet and Profit and Loss Account, dealt with by this report are in agreement with the books of account and proper returns adequate for the purposes of our audit have been received from branches not visited by us.
4. In our opinion the Profit and Loss Account and the Balance Sheet generally comply with the Accounting Standards referred in Section 211(3C) of the Companies Act, 1956 to the extent applicable, except non-adoption of Accounting Standard AS-15 to the extent of non-provision of gratuity liability. [Notes A-2 and B-10 of Schedule 'T'].
5. In our opinion and to the best of our information and according to the explanation given to us the said accounts subject to :-
 - a) Note No. B-5 of Schedule 'T' regarding unconfirmed balances of Sundry Debtors, Creditors, Loans, Advances and Security Deposits ;
 - b) Note No. B-6 of Schedule 'T' regarding non-provision of Debt considered doubtful of recovery;
 - c) Note No. B-7 of Schedule 'T' regarding non-provision of Advances considered doubtful of recovery;
 - d) Note No. B-11 of Schedule 'T' regarding valuation of finished goods as per revised AS-2 mandated by the Institute of Chartered Accountants of India thereby reducing the current year Profit before tax by Rs. 449.75 lacs and read together with significant Accounting Policies and Notes given in Schedule 'T', give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - A. In the case of Balance Sheet, of the State of affairs of the Company as at 30th June, 2000 and
 - B. In the case of the Profit and Loss Account, of the loss for the year ended on that date.

As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board, in terms of Section 227 (4A) of the Companies Act, 1956, and in the terms of information and explanations given to us and on the basis of such checks as we considered appropriate, we further state :-

1. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. During the year, as informed to us no discrepancy was noticed on physical verification of assets conducted by the Management.
2. None of the fixed assets have been revaluated during the year.
3. As explained to us that physical verification is being conducted by the management at reasonable periods, in respect of finished goods, raw materials, packing stores and spares periodicity of verification is reasonable keeping in view the nature of business.
4. In our opinion, the procedure of physical verification of stocks followed by the management is reasonable but there is scope for improvement keeping in view the size of the company and the nature of the business.
5. No material discrepancies were noticed as explained to us, on physical verification of stocks as compared to Book records.
6. On the basis of our examination of stock records, we are of the opinion that the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles. There is a change in the method of valuation of inventory of finished goods as explained in detail in Note No. B-11 of Schedule 'T'.